

**APPROVED by the  
Resolution of the General Meeting of Shareholders of  
PSC “VSMPO-AVISMA Corporation”  
dated \_\_\_\_\_, 2007  
Minutes No.\_\_\_\_ dated \_\_\_\_\_ 2007**

**Chairman of the General Meeting of Shareholders**  
\_\_\_\_\_

**REGULATIONS**  
**FOR THE GENERAL MEETING OF SHAREHOLDERS**  
**OF THE PUBLIC STOCK COMPANY**  
**“VSMPO – AVISMA CORPORATION”**  
**(new revision)**

**Verkhnaya Salda**

**2007**

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## 1. GENERAL PROVISIONS

1.1. The present Regulations are accepted and have effect in accordance with the current legislation, including RF Civil Code, the Federal Law on Joint Stock Companies, and PSC “VSMPO-AVISMA Corporation” Bylaws (hereinafter “Bylaws”).

The present Regulations determine the procedure for convocation, holding and summing up the results of the General Meeting of Shareholders of the PSC “VSMPO-AVISMA Corporation” (hereinafter “Company”).

1.2. The issues regarding convocation, preparation and holding of the General Meeting of Shareholders which are not governed by the abovementioned legal acts should be settled to observe the shareholders’ rights and best interests.

1.3. The Company ensures equal opportunity for any shareholder to participate in the General Meeting of Shareholders.

1.4. Competence of the General Meeting of Shareholders.

1.4.1. The decisions on the following issues fall within the competence of the General Meeting of Shareholders:

1) introduction of changes and amendments to the Company By-Laws or approval of the new revision of the Company By-Laws (except for the cases stipulated by the Federal Law on Joint Stock Companies);

2) reorganization of the Company;

3) liquidation of the Company, appointing the Liquidation Committee and approval of intermediate and final liquidation balance sheets;

4) election of the members of the Board of Directors and early termination of their authorities;

5) election of the members of the Auditing Committee and early termination of their authorities;

6) assignment of the Company’s auditor;

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

8) increase of the authorized capital of the Company by raising the nominal value of shares;

9) increase of the authorized capital of the Company by allocation of additional shares in cases, stipulated by the Federal Law on Joint Stock Companies and the Company By-Laws;

10) reduction of the authorized capital of the Company by decreasing the nominal value of shares, by acquisition of part of the shares by the Company in order to reduce the total number of shares and also by redemption of shares acquired and repurchased by the Company;

11) payment (declaration) of dividends on the results of 3, 6 and 9 months of the fiscal year;

12) approval of the annual reports, annual financial statements, including profit and loss statements (profit and loss accounts) of the Company, and also distribution of the Company’s profit, including payment (declaration) of dividends, except for profit distributed as dividends on the results of 3, 6 and 9 months of the fiscal year, and losses based on the fiscal year results;

13) determination of procedure for holding General Meetings of Shareholders;

14) splitting and consolidation of shares;

15) increase of the authorized capital of the Company by public subscription for additional ordinary shares amounting to over 25% of the previously placed ordinary shares;

16) placing, by way of public subscription, of the issued securities convertible into ordinary shares amounting to over 25% of the previously placed ordinary shares;

17) placing, by way of closed subscription, of the Company’s issued securities convertible into shares;

18) decision making on approval of related party transactions in accordance with the Federal Law on Joint Stock Companies;

19) decision making on approval of large transaction in the cases stipulated by the Federal Law on Joint Stock Companies;

20) decision making on participation in holding companies, financial and industrial groups,

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associations and other unions of profit making organizations;

21) approval of internal documents regulating activity of the Company's bodies;

22) decision making on remuneration and (or) compensation for expenses incurred by the members of the Auditing Committee when fulfilling their duties at the time of such fulfillment; calculation of amount of such remunerations and compensations;

23) decision making on remuneration and (or) compensation for expenses incurred by the members of the Board of Directors when fulfilling their duties at the time of such fulfillment; calculation of amount of such remunerations and compensations;

24) determination of the list of additional documents, mandatory for retention in the Company;

25) other items, ascribed to the competence of the General Meeting of Shareholders by the Federal Law on Joint Stock Companies.

1.4.2. The General Meeting of Shareholders has no right to consider and make decisions on items which are not ascribed to its competence by the Federal Law and the Company By-Laws.

## **2. ANNUAL GENERAL MEETING OF SHAREHOLDERS**

2.1. The Annual General Meeting of Shareholders shall be held by the Company once per year.

2.2. The Annual General Meeting of Shareholders shall be held not earlier than 2 months and not later than 6 months of the end of the fiscal year.

The fiscal year shall start on January 1 and end on December 31 of the current calendar year, inclusive.

2.3. The General Meeting of Shareholders shall adopt resolutions on the following mandatory issues:

- approval of the Company's annual reports;
- approval of the Company's annual financial statements including the Company's statement of income (loss);
- approval of appropriation of retained earnings including dividend payments (announcements) and the Company's losses for the fiscal year;
- election of the Board of Directors;
- election of the Auditing Committee;
- approval of the Company's Auditor.

2.4. The General Meeting of Shareholders can adopt resolutions on other issues within the competence of the General Meeting of Shareholders provided such items were entered in the agenda in accordance with the RF law and the Company's Bylaws.

2.5. Shareholders (a shareholder) owning in the aggregate not less than 2 percent of the Company's voting shares are entitled to enter items into agenda of the General Meeting of Shareholders.

2.6. Shareholders (a shareholder) owning in the aggregate not less than 2 percent of the Company's voting shares are entitled to nominate members for the Board of Directors and the Auditing Committee, at that the number of nominated members shall not exceed the number of vacancies available in the appropriate body.

2.7. Proposals to enter items in the agenda of the Annual General Meeting of Shareholders and proposals to nominate members for the Company's bodies shall be forwarded to the Company within 30 days of the end of the fiscal year.

2.8. The number of voting shares owned by the shareholders who have signed either the proposal to enter items in the agenda of the Annual General Meeting of Shareholders or the proposal to nominate members for the Company's bodies shall be determined as of the date of the proposal submittal to the Company.

If after the above indicated date the number of voting shares owned by the shareholder is decreased and represents less than 2 percent of the Company's voting shares, or in case the shareholder is deprived of his voting shares, his proposal shall still be considered valid and the Board of Directors shall review it. The submitted proposal cannot be rejected solely on the abovementioned grounds.

The shareholder who submitted a proposal to enter items in the agenda of the Annual General

Meeting of Shareholders or nominate members for the Company's bodies shall provide to the Company an extract from the Register of holders of registered securities (custody account from the nominal holder of securities) confirming that he/she owns the required number of the Company's voting shares as of the date of the proposal submittal.

At its own discretion the Board of Directors shall be authorized to obtain information from the Register of holders of registered securities (nominal holders of securities) with regard to the number of shares of the appropriate category (type) owned by the shareholder who has signed a proposal to enter items in the agenda of the Annual General Meeting of Shareholders or nominate members for the Company's bodies.

2.9. The total number of voting shares shall be determined on the date of submittal of each proposal to enter items in the agenda of the Annual General Meeting of Shareholders or nominate members for the Company's bodies.

The relative ratio (percentage) of the Company's voting shares, owned by shareholders who submitted the proposals, of the total number of the Company's voting shares shall be determined as of the date of submittal of each proposal.

2.10. A shareholder's (shareholders') proposal to enter items in the agenda of the Annual General Meeting of Shareholders or nominate members for the Company's bodies shall be submitted in the written form. No oral proposals shall be accepted or reviewed.

2.11. The proposal to enter items in the agenda of the Annual General Meeting of Shareholders or nominate members for the Company's bodies shall be signed by the shareholders submitting such proposal.

When the proposal to enter items in the agenda of the Annual General Meeting of Shareholders or nominate members for the Company's bodies states that it is submitted by several shareholders, but not all of them have signed such a proposal, the proposal shall be deemed to be submitted only by that shareholder (shareholders) who has signed such a proposal. The Board of Directors shall review such proposal and may not reject it due to the lack of signatures of all shareholders indicated in the proposal.

If the proposal to enter items in the agenda of the Annual General Meeting of Shareholders or nominate members for the Company's bodies is signed by a shareholder's representatives, then the power of attorney or other appropriate documents authorizing the representative to act on behalf of the shareholder shall be attached to the proposal. If there is a subagent power of attorney, then in addition to the original or copy of the subagent power of attorney there should also be the original or copy of the power of attorney on which basis the subagent power of attorney was issued.

Other documents authorizing the representative to act on behalf of the shareholder shall include documents acknowledging the representative's powers based on the legal acts and regulations of the state or local authorities.

Power of attorney shall be issued in accordance with Article 185 of the RF Civil Code. If the copy of the power of attorney is submitted, such copy shall be certified by the notary.

2.12. The proposal to enter items in the agenda of the Annual General Meeting of Shareholders or nominate members for the Company's bodies shall indicate the number and category (type) of shares owned by each shareholder who signed such proposal.

Should the proposal to enter items in the agenda of the Annual General Meeting of Shareholders contain incorrect information regarding the number and category (type) of shares owned by a shareholder who signed such proposal, and the Board of Directors has determined that the shareholders who signed such proposal owned in the aggregate not less than 2 percent of the Company's voting shares on the date of the proposal submittal, the proposed item shall be entered in the agenda of the Annual General Meeting of Shareholders.

Should the proposal to nominate members for the Company's bodies contain incorrect information regarding the number and category (type) of shares owned by a shareholder who has signed such proposal, and the Board of Directors has determined that the shareholders who signed such proposal owned in the aggregate not less than 2 percent of the Company's voting shares on the date of the proposal submittal, the proposed nominee shall be entered in the candidacy list for electing to the appropriate Company's body.

2.13. The written proposal to enter items in the agenda of the Annual General Meeting of Shareholders shall contain the wording of each proposed item and may contain the wording of the resolution on each proposed item.

2.14. Each proposal to enter items in the agenda of the Annual General Meeting of Shareholders shall be reviewed by the Board of Directors individually. Votes of shareholders who have signed different proposals to enter items in the agenda of the Annual General Meeting of Shareholders shall not be summed up.

Shareholders shall be deemed to submit the joint proposal to enter items in the agenda of the Annual General Meeting of Shareholders, if they have signed one such proposal.

The proposed item may be entered in the agenda of the Annual General Meeting of Shareholders, should at least one proposal to enter such item in the agenda of the Annual General Meeting of Shareholders be signed by shareholders owning the number of the Company's voting shares as required by the law.

2.15. The Company's Board of Directors shall not be authorized to change the wording of the items proposed by shareholders to be entered in the agenda of the Annual General Meeting of Shareholders, or change the wording of the resolutions on such items.

2.16. The number of nominees identified in one proposal to appoint members of the Company's bodies shall not exceed the membership of the appropriate body.

If the proposal contains the number of nominees exceeding the membership of the Company's appropriate body, only the number of nominees corresponding to the membership of such body shall be considered. In this case the persons appearing earlier in the list of the proposed nominees to the Company's body shall be considered.

2.17. The proposal to nominate candidates shall contain the name of the body for which the candidate is nominated, including the following information on each candidate:

- name, second name and family name;
- date of birth;
- information from the personal identity document (series, number, date and place of issue, issuing authority);
- educational level;
- places of employment and positions occupied during the latest five years;
- positions occupied in executive bodies of other legal entities during the latest five years;
- contact address of the candidate.

The proposal may be accompanied with the written consent of the candidate to stand for election for the appropriate Company's body.

2.18. Each proposal to nominate candidates for election to the Company's bodies shall be reviewed by the Board of Directors individually. Votes of shareholders who have signed different proposals to nominate candidates for election to the Company's bodies shall not be summed up.

Shareholders shall be deemed to submit the joint proposal to nominate candidates for election to the Company's bodies, if they have signed one such proposal.

The proposed candidate may appear in the candidacy list for election to the Company's bodies, should at least one proposal to nominate this candidate be signed by shareholders owning the number of the Company's voting shares as required by the law.

If the candidate more than once appears in one or several proposals to nominate candidates for the same Company's body, he/she shall be deemed to be nominated for one vacancy of the appropriate body and shall be entered in the candidacy list for election to this body only once.

2.19. The Board of Directors shall review all proposals forwarded by shareholders and make a decision to enter them in the agenda of the General Meeting of Shareholders or to refuse to enter them in the agenda within five days upon expiration of the specified by the Bylaws time frame for receipt of proposals to enter items in the agenda of the Annual General Meeting of Shareholders or nominate members for the Company's bodies. Items proposed by shareholders (a shareholder) shall be entered in the agenda of the General Meeting of Shareholders as well as nominees shall be included into the candidacy list for election to the appropriate body of the Company, except for the following cases:

- shareholders (a shareholder) failed to observe the time frame established by the Company's Bylaws for submittal of proposals to enter items in the agenda of the Annual General Meeting of Shareholders and nominate members for the Company's bodies;

- shareholders (a shareholder) who have signed the proposals to enter items in the agenda of the General Meeting of Shareholders or nominate members for the Board of Directors do not own in the aggregate at least 2 percent of the Company's voting shares;

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- proposals do not satisfy the requirements stipulated by the Federal Law on Joint Stock Companies and corresponding requirements of the Bylaws;
  - the item proposed to be included into the agenda of the General Meeting of Shareholders is outside its competence pursuant to the Federal Law on Joint Stock Companies and the Bylaws and (or) does not satisfy the requirements of the Federal Law on Joint Stock Companies and other RF Legal Acts. In particular, in accordance with the requirements of the Federal Law on Joint Stock Companies and the Bylaws, the proposed item can be proposed for consideration at the General Meeting of Shareholders only by the Board of Directors and (or) the proposed item can be considered by the General Meeting of Shareholders only if the Board of Directors did not come to an unanimous decision on this item beforehand.

2.20. A motivated decision of the Board of Directors on refusal to enter the proposed item in the agenda of the Annual General Meeting of Shareholders or to include the nominee into the candidacy list for election for the appropriate Company's body shall be forwarded to the shareholders (a shareholder) who submitted such proposal within three days of the date of taking such decision.

A motivated decision of the Board of Directors on refusal to enter the proposed item in the agenda of the Annual General Meeting of Shareholders or to include the nominee into the candidacy list for election to the appropriate Company's body due to the fact that the shareholders (a shareholder) who signed such proposals do not own in the aggregate at least 2 percent of the Company's voting shares shall be issued in the written form.

2.21. The decision of the Board of Directors on refusal to enter the proposed item in the agenda of the Annual General Meeting of Shareholders or to include the nominee into the candidacy list for election to the appropriate Company's body, as well as avoidance by the Board of Directors of making a decision may be subject to court appeal.

The Board of Directors shall be deemed to evade to make a decision regarding entering the proposed item in the agenda of the Annual General Meeting of Shareholders or including the nominee into the candidacy list for election to the appropriate Company's body if, in particular:

- the Board of Directors has not held its meeting within five days upon expiration of the time frame for submittal of proposals to enter items in the agenda of the Annual General Meeting of Shareholders or nominate members for the Company's bodies;
- the Board of Directors has made no decision at its meeting;
- the Board of Directors has failed to act which resulted in non-making of such decision;
- the Board of Directors has made a decision in the wording which can be misleading.

2.22. In addition to the items proposed by the shareholders to be included into the agenda of the Annual General Meeting of Shareholders and in case of absence of such proposals, and absence or insufficient number of candidates nominated by the shareholders to form the appropriate Company's body, the Board of Directors at its own discretion shall be authorized to include items into the agenda of the Annual General Meeting of Shareholders or include nominees into the candidacy list.

2.23. No changes can be made to the agenda of the Annual General Meeting of Shareholders upon notification of shareholders of calling the Annual General Meeting of Shareholders in the manner provided by the Bylaws.

2.24. The Company shall obtain from each nominee entered in the candidacy list for election to the Company's bodies his/her written consent to stand for election for the appropriate Company's body.

The Company shall send to each nominee entered in the candidacy list for election to the appropriate Company's body a letter notifying for which Company's body he/she has been nominated, who has made a proposal to nominate him/her to the appropriate Company's body and what number of the Company's voting shares is owned by the shareholders who have proposed him/her as a nominee. The letter shall contain the request for a nominee to submit his/her written consent to stand for election for the appropriate Company's body, as well as to confirm the adequacy of the nominee's personal information which shall be submitted in accordance with the Bylaws and internal regulations of the Company.

When the person has nominated himself/herself for election, it shall be deemed that the written consent of the nominee to stand for election for the appropriate Company's body is available. The Company shall not send to him/her a request for a written consent to stand for election for the appropriate Company's body.

If the written consent of the nominee to stand for election for the appropriate Company's body is

submitted along with the proposal to nominate him/her as a candidate, the Company shall not send him/her a request for a written consent to stand for election for the appropriate Company's body.

2.25. A person nominated for election to the Company's bodies shall have the right to withdraw his/her name from the list of nominees at any time with the written notification to the Company.

### **3. SPECIAL GENERAL MEETING OF SHAREHOLDERS**

3.1. The Special General Meeting of Shareholders shall be held based on the decision and at the discretion of the Board of Directors, request of the Auditing Committee, the Company's Auditor or shareholders (a shareholder) owning not less than 10% of the Company's voting shares on the date of the request submittal.

3.2. The number of the Company's voting shares owned by a shareholder who has signed the request to call a Special General Meeting of Shareholders, as well as the total number of the Company's voting shares, shall be determined on the date of the request submittal.

The relative ratio (percentage) of the Company's voting shares owned by shareholders (a shareholder) who have signed the request to call a Special General Meeting of Shareholders of the total number of the Company's voting shares shall be determined on the date of submittal of the request to call a Special General Meeting of Shareholders.

If after the above indicated date the number of voting shares owned by shareholders (a shareholder) who have signed the request to call a Special General Meeting of Shareholders is decreased and represents less than 10 percent of the Company's voting shares, or in case the shareholder is deprived of his voting shares, his request to call a Special General Meeting of Shareholders shall still be considered valid and the Board of Directors shall review it. The submitted request cannot be rejected solely on the abovementioned grounds.

At its own discretion the Board of Directors shall be authorized to obtain information from the Register of holders of registered securities with regard to the number of shares of the appropriate category (type) owned by each shareholder who has signed a request to call a Special General Meeting of Shareholders.

For the purpose of the present article, the date of submittal of the request to call a Special General Meeting of Shareholders shall be deemed the posting date or the date when the request was handed to the Company.

3.3. Calling of the Special General Meeting of Shareholders on request of the Auditing Committee, the Company's Auditor or shareholders (a shareholder) owning not less than 10% of the Company's voting shares shall be done by the Board of Directors.

The Board of Directors shall be authorized to review proposals and requests from other bodies or persons (including state authorities, shareholders not owning the required number of the Company's voting shares, etc.) to call the Special General Meeting of Shareholders. If such proposals are accepted, the Special General Meeting of Shareholders shall be called on the initiative of the Board of Directors.

3.4 The terms for calling the Special General Meeting of Shareholders shall be determined in the Bylaws in accordance with the Federal Law on Joint Stock Companies.

3.5. The request to call the Special General Meeting of Shareholders shall include items proposed to be entered in the agenda of the Special General Meeting of Shareholders.

The request to call the Special General Meeting of Shareholders may include wording of resolutions on each item, as well as proposals regarding the form of holding of the Special General Meeting of Shareholders. In case the request to call the Special General Meeting of Shareholders contains a proposal to nominate candidates for the Company's bodies, such proposal shall be subject to corresponding provisions of the Federal Law on Joint Stock Companies.

The Board of Directors shall not be authorized to change wording of the proposed agenda items, resolutions on such items or change the proposed form of the Special General Meeting of Shareholders called under request from the Auditing Committee, the Company's Auditor or shareholders (a shareholder) owning not less than 10% of the Company's voting shares.

Violation of the abovementioned requirements shall be considered a refusal to call the Special General Meeting of Shareholders and shall entitle the persons, who have requested to call the Special General Meeting of Shareholders, with the authority to call and hold the General Meeting of Shareholders pursuant to the Federal Law on Joint Stock Companies.



3.6. If the request to call the Special General Meeting of Shareholders has been initiated by shareholders (a shareholder), it shall include the names (designations) of shareholders (a shareholder) requesting to call such meeting and the number and category (type) of shares owned by them.

3.7. The request to call the Special General Meeting of Shareholders shall be signed by persons (a person) requesting to call the Special General Meeting of Shareholders.

If the request to call the Special General Meeting of Shareholders indicates that it is initiated by several persons, but not all of them have signed the request, such request shall be deemed to be entered by those persons who have signed it. The Board of Directors shall review such request and can not refuse it due to lack of signatures of all persons indicated in the request.

3.8. If the request is signed by a shareholder's representatives, then the power of attorney or other appropriate documents authorizing the representative to act on behalf of the shareholder shall be attached to the request. If there is a subagent power of attorney, then in addition to the original or copy of the subagent power of attorney there should also be the original or copy of the power of attorney on which basis the subagent power of attorney was issued.

Other documents authorizing the representative to act on behalf of the shareholder shall include documents acknowledging the representative's powers based on the legal acts and regulations of the state or local authorities.

Power of attorney shall be issued in accordance with Article 185 of the RF Civil Code or shall be certified by the notary. If the copy of the power of attorney is submitted, such copy shall be certified by the notary.

3.9. The Company's Board of Directors shall make a decision on calling or refusal to call the Special General Meeting of Shareholders within five days after submittal of the request to call the Special General Meeting of Shareholders forwarded by the Auditing Committee, the Company's Auditor or shareholders (a shareholder) owning not less than 10 percent the Company's voting shares.

For the purpose of the present article, the date of submittal of the request to call the Special General Meeting of Shareholders shall be the date of the request receipt at the Company.

3.10. A decision regarding refusal to call the Special General Meeting of Shareholders on request of the Auditing Committee, the Company's Auditor or shareholders (a shareholder) owning not less than 10% the Company's voting shares shall be made, if:

- the procedure established by the Federal Law on Joint Stock Companies for submittal of requests to call the Special General Meeting of Shareholders was not observed;
- shareholders (a shareholder) who signed the request to call the Special General Meeting of Shareholders do not own at least 10 percent the Company's voting shares on the date of the request submittal;
- none of the items proposed to be entered in the agenda of the Special General Meeting of Shareholders falls within the competence of the General Meeting of Shareholders and (or) satisfies the provisions of the Federal Law on Joint Stock Companies and other RF Legal Acts.

3.11. A decision on calling or a motivated decision on refusal to call the Special General Meeting of Shareholders taken by the Board of Directors shall be forwarded to the persons requesting calling the meeting within three days of the date of taking such decision.

Decision of the Board of Directors regarding refusal to call the Special General Meeting of Shareholders may be subject to court appeal.

3.12. If during the period established by the law the Board of Directors failed to take the decision on calling the Special General Meeting of Shareholders or refused to call the Special General Meeting of Shareholders, the Special General Meeting of Shareholders may be called by other bodies or persons requiring calling the meeting. At this, bodies or persons calling the Special General Meeting of Shareholders shall have the authority to call and hold the General Meeting of Shareholders pursuant to the current law.

In this case all expenses associated with preparation and holding of the General Meeting of Shareholders can be reimbursed at the expense of the Company's assets based on the decision of the General Meeting of Shareholders.

3.13. When the proposed agenda of the Special General Meeting of Shareholders contains issues regarding election of the members of the Board of Directors, then, irrespective of who initiated the Special General Meeting of Shareholders with such an agenda, the Company's shareholders (a shareholder) owning in the aggregate not less than 2 percent of the Company's voting shares shall be entitled to nominate members for the Board of Directors which number shall not exceed the

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membership of the Board of Directors.

Such proposals shall be received at the Company at least 30 days prior to the date of the Special General Meeting of Shareholders.

3.14. The proposals to nominate members for the Board of Directors shall be in the written form. No oral proposals shall be either accepted or reviewed.

3.15. The proposal to nominate members for the Board of Directors shall be signed by shareholders (a shareholder) submitting such a proposal.

When there are several shareholders defined in the proposal to nominate members for the Board of Directors, but not all of them have signed such a proposal, then the proposal shall be deemed to be introduced only by those shareholders who have signed such a proposal. The Board of Directors shall review such proposal and may not reject it due to the lack of signatures of all shareholders indicated in the proposal.

3.16. If the proposal to nominate members for the Board of Directors is signed by a shareholder's representative, then the power of attorney or other appropriate documents authorizing the representative to act on behalf of the shareholder shall be attached to the proposal. If there is a subagent power of attorney, then in addition to the original or copy of the subagent power of attorney there should also be the original or copy of the power of attorney on which basis the subagent power of attorney was issued.

Other documents authorizing the representative to act on behalf of the shareholder shall include documents acknowledging the representative's powers based on the legal acts and regulations of the state or local authorities.

Power of attorney shall be issued in accordance with Article 185 of the RF Civil Code. If the copy of the power of attorney is submitted, such copy shall be certified by the notary.

3.17. The proposal to nominate members for the Board of Directors shall include information on the number and category (type) of shares owned by each shareholder who signed the proposal.

Should the proposal to nominate members for the Board of Directors contain incorrect information on the number and category (type) of shares owned by a shareholder who signed such proposal, and the Board of Directors has determined that the shareholders who signed the proposal owned in the aggregate not less than 2 percent the Company's voting shares on the date of the proposal submittal, then the proposed nominee shall be entered in the candidacy list for electing to the Board of Directors.

The number of the Company's voting shares owned by a shareholder who signed the proposal to nominate members for the Board of Directors and the total number of the Company's voting shares shall be determined on the date of the proposal submittal to the Company.

The relative portion (percentage) of the Company's voting shares represented by shareholders who signed the proposal to nominate members for the Board of Directors of the total number of the Company's voting shares shall be determined on the date of the proposal submittal to the Company.

If after the above indicated date the number of voting shares owned by a shareholder is decreased and represents less than 2 percent of the Company's voting shares, or in case the shareholder is deprived of his voting shares, his proposal to nominate members for the Board of Directors shall still be considered valid and the Board of Directors shall review it. The submitted proposal cannot be rejected solely on the abovementioned grounds.

At its own discretion the Board of Directors shall be authorized to obtain information from the Register of holders of registered securities with regard to the number of shares of the appropriate category (type) owned by each shareholder who has signed a proposal to nominate members for the Board of Directors.

3.18. If the proposal to nominate members for the Board of Directors contains the number of nominees exceeding the membership of the Board of Directors, then only the number of nominees corresponding to the membership of the Board of Directors shall be considered. In this case the persons appearing earlier in the list of the proposed nominees for the Board of Directors shall be considered.

3.19. The proposal to nominate members for the Board of Directors at the Special General Meeting of Shareholders shall contain information on the nominees as required by the Bylaws.

3.20. Each proposal to nominate members for the Board of Directors shall be reviewed by the Board of Directors individually. Votes of shareholders who have signed different proposals to nominate members for the Board of Directors shall not be summed up.

Shareholders shall be deemed to submit a combined proposal to nominate members for the Board of Directors if they have signed one proposal.

The proposed nominee may be entered in the candidacy list for election to the Board of Directors, should at least one proposal to nominate this candidate be signed by shareholders owning the number of the Company's voting shares as required by the law.

If the nominee appears in one or several proposals to nominate members for the Board of Directors more than once, he/she shall be deemed to be nominated for one vacancy in the Board of Directors and entered in the list for voting only once.

3.21. The Board of Directors shall review the submitted proposals and make a decision to enter nominees in the candidacy list for election to the Board of Directors or to refuse to enter them in the candidacy list within five days upon expiration of the specified by the Bylaws time frame for receipt of proposals to nominate members for the Board of Directors.

The proposed nominees shall be included into the candidacy list for election to the Board of Directors by cumulative voting, except for the following cases:

- shareholders (a shareholder) failed to observe the time frame established by the Company's Bylaws for submittal of proposals to nominate members for the Board of Directors at the Special General Meeting of Shareholders;

- shareholders (a shareholder) who have signed the proposals to enter items in the agenda of the General Meeting of Shareholders or nominate members for the Board of Directors do not own in the aggregate at least 2 percent of the Company's voting shares;

- proposals do not satisfy the requirements stipulated by the Federal Law on Joint Stock Companies and corresponding requirements of the Bylaws.

3.22. A motivated decision of the Board of Directors on refusal to include the nominee into the candidacy list for election to the Board of Directors shall be forwarded to the shareholders (a shareholder) who submitted such proposal within three days of the date of taking such decision.

A motivated decision of the Board of Directors on refusal to include the nominee into the candidacy list for election to the Board of Directors due to the fact that the shareholders (a shareholder) who signed such proposals do not own in the aggregate at least 2 percent of the Company's voting shares shall be confirmed with an extract from the Register of holders of registered securities (custody account from the depository).

3.23. The decision of the Board of Directors on refusal to include the nominee into the candidacy list for election to the Board of Directors, as well as avoidance by the Board of Directors of making such a decision may be subject to court appeal.

3.24. The Board of Directors shall obtain from each nominee entered in the candidacy list for election to the Board of Directors by cumulative voting his/her written consent to stand for election for the Board of Directors.

The Board of Directors shall send to each nominee entered in the candidacy list for election to the Board of Directors a letter notifying for which Company's body he/she has been nominated, who has made a proposal to nominate him/her as a candidate and what number of the Company's voting shares is owned by the shareholders who have proposed him/her as a nominee. The letter shall contain the request for a nominee to submit his/her written consent to stand for election for the Board of Directors, as well as to confirm the adequacy of the nominee's personal information which shall be submitted in accordance with the Bylaws.

3.25. When the person has nominated himself/herself for election, it shall be deemed that the written consent of the nominee to stand for election for the Board of Directors is available. The Board of Directors shall not send to him/her a request for a written consent to stand for election for the Board of Directors.

If the written consent of the nominee to stand for election for the Board of Directors is submitted along with the proposal to nominate him/her as a candidate, the Board of Directors shall not send him/her a request for a written consent to stand for election for the Board of Directors.

3.26. A person nominated for election to the Board of Directors shall have the right to withdraw his/her name from the candidacy list at any time with the written notification to the Company.

The voting slips for election of the Board of Directors shall not include the names of the candidates from the previously approved candidacy list who submitted a written refusal to stand for election for the Board of Directors.

#### **4. PREPARATION FOR THE GENERAL MEETING OF SHAREHOLDERS**

4.1. While preparing for the Annual General Meeting of Shareholders, the Board of Directors shall determine the following:

- the form in which the General Meeting of Shareholders shall be held;
- the date when the General Meeting of Shareholders shall be held;
- the place where the General Meeting of Shareholders shall be held;
- the time when the General Meeting of Shareholders shall be held;
- the date of development of the list of persons authorized to attend the General Meeting of Shareholders;
- the agenda of the General Meeting of Shareholders;
- the procedure for notification of the shareholders on calling the General Meeting of Shareholders;
- the list of information (materials) to be provided to the shareholders during preparation for the General Meeting of Shareholders and procedure for information submission;
- the form and the wording of the voting slips;
- the postal address to which the filled in voting slips shall be sent.

The Board of Directors shall be authorized to determine the abovementioned both at the time of making decision on calling the Annual General Meeting of Shareholders or at any other time while preparing for the meeting.

4.2. While preparing for the Special General Meeting of Shareholders, the Board of Directors shall determine the following:

- the form in which the General Meeting of Shareholders shall be held (when the form is not determined by the initiators who have called the Special General Meeting of Shareholders);
- the date when the Special General Meeting of Shareholders shall be held;
- the place where the Special General Meeting of Shareholders shall be held;
- the time when the Special General Meeting of Shareholders shall be held;
- the date of development of the list of persons authorized to attend the Special General Meeting of Shareholders;
- the agenda of the Special General Meeting of Shareholders;
- the procedure for notification of the shareholders on calling the Special General Meeting of Shareholders;
- the list of information (materials) to be provided to the shareholders during preparation for the Special General Meeting of Shareholders and procedure for information submission;
- the form and the wording of voting slips.

When the Special General Meeting of Shareholders is held in the form of joint presence of shareholders to discuss the agenda items and take resolutions on the items put to the vote with preliminary forwarding (handing) of voting slips prior to the Special General Meeting of Shareholders, the Board of Directors shall additionally approve the postal address to which the filled in voting slips shall be sent.

When the Special General Meeting of Shareholders is held in the form of absentee voting, the Board of Directors shall additionally approve the end date for voting slips receipt and the postal address to which the filled in voting slips shall be sent.

The Board of Directors shall not be authorized to make changes in the wording of the agenda items or resolutions on such items proposed by initiators who have called the Special General Meeting of Shareholders.

The Board of Directors shall be entitled to enter items in the agenda and propose resolutions on such items at its own discretion.

4.3. In case of absence or insufficient number of nominees proposed by shareholders to form the appropriate body, the Board of Directors shall be authorized at its own discretion to enroll nominees to the candidacy list in the number not exceeding the membership of the appropriate body.

4.4. The number of nominees shall be deemed insufficient to form the appropriate Company's body in the following cases.

Shareholders did not submit to the Company any proposals to enroll nominees for the

appropriate Company's body by the specified date.

Shareholders submitted to the Company some proposals to enroll nominees for the appropriate Company's body, but the number of nominees included in the candidacy list for election to the appropriate Company's body based on such proposals is less than the membership of the appropriate Company's body required by the Bylaws.

Nominees included in the candidacy list for election to the appropriate Company's body submitted to the Company written withdrawals of their candidatures. Therefore, the number of nominees to be entered into voting slips for election of members of the appropriate Company's body is less than the membership of the appropriate Company's body required by the Bylaws.

4.5. The Board of Directors shall obtain written consents of the nominees proposed by the Board of Directors to be put to the vote for election to the Board of Directors and shall confirm the adequacy of the nominee's personal information to be provided in accordance with the Bylaws and the present Regulations.

4.6. At its own discretion the Board of Directors shall enroll nominees to the candidacy lists and voting slips for election to the Company's bodies not later than the date of forwarding to shareholders the notification of the General Meeting of Shareholders and the information (materials) to be provided to shareholders during preparation for the General Meeting of Shareholders.

4.7. The list of persons authorized to attend the General Meeting of Shareholders shall be made up on the basis of the Company's Register of shareholders.

In order to make up the list of persons authorized to attend the General Meeting of Shareholders, a nominal shareholder shall provide the information on persons which interests he/she represents on the date of making the list.

A nominal shareholder shall provide this information in timely manner in order to enable the Company to comply with the terms established by the Federal Law on Joint Stock Companies and the Bylaws for calling the General Meeting of Shareholders, forwarding notifications on the General Meeting of Shareholders, providing voting slips to shareholders as well as other terms established in the best interests of shareholders.

4.8. The date of making the list of persons authorized to attend the General Meeting of Shareholders shall not be established prior to the date of making the decision to call the General Meeting of Shareholders and more than 50 days, and in case the proposed agenda of the Special General Meeting of Shareholders includes election of the members of the Board of directors - more than 65 days prior to the date of the General Meeting of Shareholders.

When voting and establishing the quorum of the General Meeting of Shareholders is performed by the use of voting slips received by the Company not later than 2 days prior to the date of the General Meeting of Shareholders or received before the end date for voting slips receipt when the General Meeting of Shareholders is held in the form of absentee voting, the date of making the list of persons authorized to attend the General Meeting of Shareholders shall be established not less than 35 days prior to the date of the General Meeting of Shareholders.

4.9. The list shall be made in accordance with the instructions issued by the Chairman of the Board of Directors or other persons authorized to call the General Meeting by the person holding the Company's Register of shareholders as of the date established in the instructions. The applying person shall be responsible for compliance of the established date with the requirements of the RF Legal Acts.

4.10. The list of persons authorized to attend the General Meeting of Shareholders shall contain the name (designation) of each listed person, the information required to identify such person, the information on the number and category (type) of shares granting the voting authority, the postal address in the Russian Federation to which notifications on the General Meeting of Shareholders, voting slips, if applicable, and the vote results report shall be forwarded.

4.11. Changes to the list of persons authorized to attend the General Meeting of Shareholders can be made by the Board of Directors only to restore the violated rights of those holders who have not been included into the list on the date of making such a list or to correct the errors made while making the list.

4.12. The list of persons authorized to attend the General Meeting of Shareholders shall be submitted by the Company upon request for review to the persons included into such list and holding not less than 1 percent of votes. At that, personal documents data and postal addresses of individuals included into the list shall be submitted only subject to consent from such individuals.

Upon request from any interested person, within the period of three days the Company shall

submit the extract from the list of persons authorized to attend the General Meeting of Shareholders containing the information on such person or submit a note that such person has not been included into the list of persons authorized to attend the General Meeting of Shareholders.

The request shall contain the following information:

- shareholder's name (designation);
- information on shares owned (number, category, type).

The request shall be signed by a shareholder or his authorized representative. When the request is signed by an authorized representative, it shall be accompanied with a power of attorney.

If the request was initiated by a shareholder being a legal entity, the signature of the representative of such legal entity acting in accordance with the Bylaws of such legal entity without a power of attorney shall be certified with the company stamp of such legal entity. If the request is signed by a representative of the legal entity acting on behalf of this legal entity by a power of attorney, a power of attorney shall be attached to the request.

The list of shareholders authorized to attend the General Meeting of Shareholders shall be submitted for review only to those shareholders who have signed the relative request not prior to the date of making up such a list.

4.13. Information on holding the General Meeting of Shareholders shall be provided to all persons included into the list of shareholders authorized to attend the General Meeting of Shareholders.

Share ownership shall be established as of the date of making up the list of persons authorized to attend the General Meeting of Shareholders.

4.14. When the person listed in the Register of Shareholders is a nominal shareholder, the notification on the General Meeting of Shareholders shall be forwarded to the address of this nominal shareholder if no other postal address is indicated in the list of persons authorized to attend the General Meeting of Shareholders to which the notification on the General Meeting of Shareholders shall be forwarded. When notification on the General Meeting of Shareholders is forwarded to the nominal shareholder, the latter shall inform his/her clients of such notification in due course and on terms stipulated by the RF law or his/her contract with the client.

4.15. The notification on the General Meeting of Shareholders shall be submitted not later than 30 days prior to the date of the Meeting.

The notification of the General Meeting of Shareholders shall be submitted in due course and according to the procedure stipulated by the Bylaws.

4.16. The notification of the General Meeting of Shareholders shall contain the following information:

- the full corporate name of the Company;
- the location of the Company;
- the form of the General Meeting of Shareholders;
- date, place, and time of the General Meeting of Shareholders, the postal address to which completed voting slips shall be forwarded, and when the General Meeting of Shareholders is held by absentee voting - the end date for voting slips receipt and the postal address to which the filled in voting slips shall be forwarded;
- date, time and place of registration of attendees of the General Meeting, when the General Meeting of Shareholders is held by joint presence;
- the date of making up the list of persons authorized to attend the General Meeting of Shareholders;
- the agenda of the General Meeting of Shareholders;
- procedure for review of the information (materials) to be provided to shareholders during preparation for the General Meeting of Shareholders and the address (addresses) where this information shall be available.

4.17. Information (materials) to be provided to the persons authorized to attend the General Meeting of Shareholders during preparation for the meeting includes: annual reports; annual financial statements; the Auditor's report; report of the Auditing Committee based on the review of the annual financial statements and annual results of financial and operating activity of the Company; the opinion of the Auditing Committee on the adequacy of the data included in the annual reports; information on the nominee (nominees) for the Board of Directors, the Auditing Committee and the Company's Auditors; draft revisions and amendments to the Company's Bylaws or new revisions of the Company Bylaws; draft internal regulations of the Company to be approved by the General Meeting of

Shareholders; draft resolutions of the General Meeting of Shareholders; proposals for appropriation of annual retained earnings including payments (announcements) of dividends, remunerations and (or) compensation to the members of the Auditing Committee and to the members of the Board of Directors associated with fulfillment of their duties.

4.18. The information on the nominee (nominees) for the Company's bodies which is subject to submission to the persons authorized to attend the General Meeting of Shareholders shall include the following:

- surname, name and second name;
- date of birth;
- places of employment and positions for the latest five years;
- positions occupied in the bodies of other legal entities for the latest five years;

The information on the nominee for an Auditor of the Company to be approved at the Annual General Meeting of Shareholders shall include the following:

- the full corporate name (or surname, name and second name);
- location and contact phone numbers;
- license number, the issuing authority and the issue date;
- license validity period.

4.19. The information (materials) mentioned in the present article shall be made available for persons authorized to attend the General Meeting of Shareholders for review in the office of the Company's executive body and other places which addresses shall be designated in the notification of the General Meeting of Shareholders within 20 days prior to the General Meeting of Shareholders or within 30 days prior to the General Meeting of Shareholders, when the agenda of the General Meeting of Shareholders contains items regarding the Company's reorganization. The abovementioned information (materials) shall be made available for all persons attending the General Meeting of Shareholders during the meeting.

The Company shall provide to the person authorized to attend the General Meeting of Shareholders the copies of the abovementioned documents upon request. The amount of payment charged by the Company for such copies shall not exceed the costs of the copies preparation.

## **5. PARTICIPATION OF SHAREHOLDERS AND THEIR AUTHORIZED REPRESENTATIVES IN THE GENERAL MEETING OF SHAREHOLDERS**

5.1. The General Meeting of Shareholders can be attended by the persons included into the list of persons authorized to attend the General Meeting of Shareholders, their representatives, the Company's Registrar (or his/her representative), the Company's Auditor (or his/her representative), members of the Company's bodies, nominees included into the voting slips for election to the Company's bodies and other persons authorized by the Board of Directors.

5.2. The Company shall take necessary actions to ensure presence of the members of the Board of Directors, the Director General, the members of the Auditing Committee at the General Meeting of Shareholders. They shall be obliged to provide the competent information on the issues raised by attendees of the General Meeting of Shareholders.

5.3. A shareholder may exercise a right to attend the General Meeting of Shareholders either in person or via a representative.

In the event of transfer of shares after the date of making the list of persons authorized to attend the General Meeting of Shareholders and prior to the date of the General Meeting of Shareholders, the person included into such list shall issue for the transferee a power of attorney granting the right to attend the General Meeting of Shareholders or attend the General Meeting of Shareholders in accordance with the power of attorney issued by the transferee. The stated above shall also apply to each subsequent transfer of shares.

5.4. A shareholder shall be entitled to attend the General Meeting of Shareholders either:

- in person addressing items of the agenda and voting on them at the General Meeting held by the joint presence of shareholders, or
- by delegating a representative to address items of the agenda and vote on them at the General Meeting held by the joint presence of shareholders, or
- by addressing items of the agenda and voting on them together with the representative at

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the General Meeting held by the joint presence of shareholders, or

- by absentee voting, or
- by transferring the absentee voting rights to the representative.

5.5. The transfer of authority to a shareholder's representative shall be done with a written power of attorney.

5.6. A shareholder shall be entitled to issue a power of attorney either for all or any portion of shares held by him/her.

5.7. A power of attorney can be issued either for all rights granted by shares or any part of these rights.

5.8. A power of attorney shall contain information on a shareholder and a representative (name or designation, address or location, passport data).

5.9. A power of attorney shall be certified either by the notary or in accordance with the requirements of Article 185 of the RF Civil Code.

5.10. A power of attorney to act on behalf of a legal entity shall be signed by the principal executive officer of such entity or any other person authorized by the constitutive documents of such entity and stamped with the company seal of such entity, or certified by the notary.

5.11. In addition, a shareholder's representative shall be entitled to act at the General Meeting in accordance with the authorities provided by the Federal Legal Acts or regulations of the state and local bodies.

5.12. A shareholder shall be entitled to replace his/her representative at any time and exercise the rights granted by shares in person having terminated the power of attorney. Also, a shareholder shall be entitled to replace his/her representative and exercise the rights granted by shares in person without terminating the power of attorney.

A shareholder entitled to attend the General Meeting shall be authorized to replace his/her representative at any time and attend the General Meeting in person having terminated the power of attorney in due course established by the law, subject to observance of the consequences of termination of the power of attorney provided by the RF Civil Code Article 189 Clause 2. In this case, a shareholder shall inform the Company on his intention to withdraw the power of attorney.

If the representative's power of attorney is withdrawn in the abovementioned manner, a representative shall not be registered at the General Meeting of Shareholders.

5.13. In case of participatory share ownership, at the discretion of the co-owners the rights granted by the share at the General Meeting of Shareholders shall be exercised either by one of the co-owners or by their common representative. The authorities of each said person shall be formalized in due course.

## **6. HOLDING THE GENERAL MEETING OF SHAREHOLDERS BY ABSENTEE VOTING**

6.1. Resolutions of the General Meeting of Shareholders may be adopted without conducting the General Meeting of Shareholders by way of joint presence of shareholders to discuss the agenda and resolve the items put to the vote, but by absentee voting.

The date of the General Meeting of Shareholders in the form of absentee voting shall be the end date of voting slips receipt.

6.2. The General Meeting of Shareholders held by absentee voting shall not be authorized to review and resolve the following matters:

- election of the Board of Directors;
- election of the Company's Auditing Committee;
- approval of the Company's Auditor;
- approval of the annual reports, annual financial statements including the Company's profit and loss report, allocation of the Company's profit and loss for the accounting year.

6.3. It shall not be allowed to conduct a new General Meeting of Shareholders by absentee voting instead of the frustrated General Meeting of Shareholders which should have been conducted by joint presence.

6.4. The agenda items of the General Meeting of Shareholders held by absentee voting shall be put to the vote by voting slips only.



6.5. The list of persons authorized to attend the General Meeting of Shareholders shall be made up in accordance with the current status of the Company's Register of holders of registered securities on the date established by the Board of Directors.

The date of making the list of persons authorized to attend the General Meeting of Shareholders held by absentee voting shall not be earlier than the date of making the decision to conduct the General Meeting of Shareholders, and shall not be more than 50 days and less than 35 days prior to the date of the General Meeting of Shareholders (end date for voting slips receipt).

The list of persons authorized to attend the General Meeting of Shareholders shall include name (designation) of each such person, personal identification data, information on the number and category (type) of shares granting the voting authority, and postal address in the Russian Federation.

## **7. WORKING BODIES OF THE GENERAL MEETING OF SHAREHOLDERS**

7.1. The General Meeting of Shareholders has the following working bodies:

- Presidium;
- Chairman of the General Meeting;
- Secretary;
- Returning Board.

7.2. The Presidium of the General Meeting of Shareholders shall be composed at the meeting held by the joint presence of shareholders.

7.3. The Presidium of the General Meeting of Shareholders called at the initiative of the Board of Directors, the Auditing Committee or the Company's Auditor shall be composed of the members of the Board of Directors and other persons suggested by the Board of Directors.

7.4. The Presidium of the Special General Meeting of Shareholders called and held at the initiative of shareholders shall be composed, in addition to the members of the Board of Directors, of the shareholders elected by the General Meeting. At that, the number of shareholders elected to the Presidium shall not exceed the number of acting members of the Board of Directors.

The nominees for the Presidium shall be put to the separate vote using special voting slips in accordance with the procedure of the General Meeting of Shareholders. A nominee shall be deemed elected if he/she gained the majority of votes of the shareholders attending the General Meeting of Shareholders who represent voting shares and shares granting the right to vote on specific items of the agenda.

If no candidates were nominated by initiators or were elected to the Presidium of the Special General Meeting of Shareholders, the latter shall be composed of the members of the Board of Directors and other persons suggested by the Board of Directors.

7.5. The Presidium shall collectively preside the regular activities of the General Meeting of Shareholders, coordinate activities of other working bodies of the General Meeting, determine intervals in the work of the General Meeting, review questions and statements applied to the General Meeting, summarize and classify such questions, when required express the collective opinion of the Presidium on particular matters, decide on the attachment of materials (speeches, announcements, information, etc.) provided to the Presidium by attendees of the General Meeting to the minutes of the General Meeting.

7.6. The Chairman of the Company's Board of Directors shall preside at the General Meeting of Shareholders, and in case of his/her absence the Deputy Chairman of the Company's Board of Directors shall preside.

In case of absence or impossibility for the above mentioned persons to preside at the General Meeting for any reason, the General Meeting shall be presided by one of the directors chosen by a majority of votes of the members of the Board of Directors. If no decision is made by the Board of Directors, the General Meeting held by joint presence of shareholders shall elect the Chairman from the number of persons attending the General Meeting.

In this case, the Chairman of the Returning Board shall announce a break for nominating persons for the Chairman of the General Meeting.

By the end of the break, attendees (an attendee) of the General Meeting owning in the aggregate not less than 2 percent of the Company's voting shares shall submit to the Returning Board the written proposals with the following information:

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- the name of the nominee, the number and category (type) of shares owned by him/her;
  - names (designations) of shareholders nominating the person, the number and category (type) of shares owned by them.

The General Meeting shall elect the Chairman of the General Meeting from the number of the proposed nominees.

While voting to elect the Chairman of the General Meeting, each attendee of the General Meeting shall cast all votes belonging to him/her for one nominee only or none of the nominees.

While summing up vote results with regard to election of the Chairman of the General Meeting, the Company's voting shares and also shares granting the voting rights for specific items of the agenda shall be taken into account.

The nominee shall be deemed elected, if he/she has gained over 50 percent of votes.

7.7. The Chairman of the General Meeting shall announce the opening and the closing of the General Meeting. When discussion of the agenda items is completed, the Chairman shall announce voting on these items. The Chairman shall also conduct the General Meeting, supervise the compliance with the time-limits of the General Meeting, give necessary instructions and orders to the Returning Board, give assignments regarding distribution of documents of the General Meeting and statements of the Presidium of the General Meeting. In the event of breaking the procedure and time-limits of the General Meeting by speakers, the Chairman shall be authorized to cut them short and reduce the meeting to order. The Chairman shall announce the beginning and the end of breaks in the work of the General Meeting and sign the minutes of the General Meeting of Shareholders.

The Chairman of the General Meeting shall not be authorized to interrupt the speakers of the General Meeting or make any comments, unless it is caused by speaker's breaking the time-limits or other procedural requirements of the General Meeting.

The Chairman of the General Meeting shall exert every effort to provide the shareholders with the answers to all their questions directly at the General Meeting. If the complexity of the issue does not allow to provide the immediate response, the written response shall be forwarded upon the closing of the General Meeting as soon as possible.

7.8. The Chairman of the General Meeting shall be allowed to delegate his/her powers for conducting the General Meeting of Shareholders to any other person. At that, he/she shall remain the Chairman of the General Meeting.

7.9. The Secretary of the General Meeting (hereinafter referred to as "Secretary") shall be appointed by the Board of Directors of the Company.

7.10. The Secretary shall ensure supervision over preparation of the draft working papers for the Meeting. The Secretary shall keep records of the minutes of the General Meeting and sign them and inform shareholders of the minutes and resolutions of the General Meeting, if required.

7.11. Functions of the Returning Board of the Company shall be fulfilled by the independent registrar.

In order to fulfill its functions, the Returning Board shall be an independent, constantly standing and operating body of the General Meeting.

7.12. The data obtained by the members of the Returning Board while handling vote results (counting the votes and making up the minutes) shall be treated as confidential information.

7.13. The Returning Board shall perform the following functions:

- verify authorities and register persons attending the General Meeting;
- keep records of powers of attorney (the rights granted by them) and other documents based on which the attendee of the General Meeting is authorized to act on behalf of the person enrolled for the list of persons authorized to attend the General Meeting of Shareholders;
- hand in voting slips and other information (materials) of the General Meeting to the registered attendees of the General Meeting;
- establish the quorum of the General Meeting of Shareholders per each item put to the vote;
- arrange elections of the working bodies of the General Meeting in the cases provided by the Bylaws and these Regulations;
- clarify issues arising in the course of exercising by shareholders their voting rights at the General Meeting;
- clarify voting procedures regarding the items put to the vote;
- ensure performance of established vote procedures and exercising of shareholders' voting

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rights;

- determine the number of voting shares owned by a shareholder on the date of voting;
- count votes and sum up vote results;
- make up the vote results minutes;
- file the documents of the General Meeting of Shareholders including voting slips and powers of attorney (their copies), as well as other documents based on which attendees of the General Meeting are authorized to act on behalf of persons enrolled for the list of persons authorized to attend the General Meeting of Shareholders (their copies);
- issue notes and make extracts from the list of persons authorized to attend the General Meeting of Shareholders;
- perform other duties provided by the Bylaws and internal regulations of the Company.

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

8.1. The shareholders who have been registered at the General Meeting and the shareholders who submitted their voting slips at least two days prior to the General Meeting of Shareholders shall be deemed to have attended the General Meeting held by joint presence in order to discuss the agenda items and pass resolutions on the items put to the vote with preliminary forwarding (handing) of voting slips prior to the General Meeting of Shareholders.

8.2. The shareholders whose voting slips were received at the Company not later than the end date for voting slips receipt shall be deemed to have attended the General Meeting held by absentee voting.

8.3. The Returning Board shall verify authorities and register persons attending the General Meeting of Shareholders.

8.4. The place of registration shall coincide with the place of holding the meeting.

8.5. During registration the Returning Board shall keep the following logs:

- the log for registration of the meeting attendees;
- the log for registration of powers of attorney and other documents based on which attendees of the General Meeting are authorized to act on behalf of persons enrolled for the list of persons authorized to attend the General Meeting of Shareholders.

The Returning Board shall be allowed to keep other registration forms and logs at its own discretion.

8.6. The registration of attendees of the General Meeting shall be conducted in terms specified in the notification of the General Meeting.

8.7. During registration attendees of the General Meeting shall submit the following documents:

- a shareholder (an individual) shall produce the identity card;
- a representative of a shareholder (of an individual) shall produce the power of attorney issued by the shareholder and the representative's identity card;
- a representative of a shareholder (of a legal entity) shall produce the power of attorney issued by the legal entity and the representative's identity card;
- an executive officer of a legal entity being the Company's shareholder shall produce the document sustaining his official capacity in accordance with the acting legislation and the identity card.

The Returning Board shall prove the identities of attendees of the General Meeting on the basis of the list of persons authorized to attend the General Meeting of Shareholders.

The Returning Board shall hand to each attendee of the General Meeting voting slips and other materials subject to distribution among attendees of the General Meeting with the signature on receipt.

The Returning Board shall fill in the log for registration of the General Meeting attendees.

Powers of attorney and other documents based on which attendees of the General Meeting are authorized to act on behalf of shareholders shall be handed to the Company at registration.

8.8. The registration of persons authorized to attend the General Meeting of Shareholders shall not be completed at the opening of the General Meeting. Persons authorized to attend the General Meeting of Shareholders shall be entitled to get registered by the time of beginning counting the votes on the agenda items of the General Meeting of Shareholders.

When discussion of all agenda items of the General Meeting is completed, the Chairman of the

General Meeting shall announce voting on all agenda items. It means that those attendees of the General Meeting, who have not yet cast their votes, are entitled to do so.

8.9. The Returning Board shall inform attendees of the General Meeting of the quorum present per each agenda item of the General Meeting of Shareholders.

8.10. The General Meeting of Shareholders shall have the authority (quorum) only if shareholders attending the meeting own in the aggregate more than half of the votes granted by the allocated voting shares of the Company.

8.11. If the agenda of the General Meeting of Shareholders includes items which shall be put to the vote of shareholders with different voting rights, the quorum for such items shall be established separately. At that, absence of quorum for the items put to the vote for one group of shareholders shall not prevent passing resolutions on the items put to the vote for a different group of shareholders where the quorum is secured.

If at the opening of the General Meeting there was no quorum for some agenda items of the General Meeting of Shareholders, but in the course of the General Meeting the quorum was secured (when shareholders representing the required number of shares granting the voting rights for some items of the agenda were registered), the Returning Board shall inform of it the General Meeting and the General Meeting shall have the authority to vote on such items.

8.12. When there is no quorum required to conduct the Annual General Meeting of Shareholders, the repeated general Meeting of Shareholders shall be held with the same agenda. When there is no quorum required to conduct the Special General Meeting of Shareholders, the repeated general Meeting of Shareholders may be held with the same agenda.

8.13. The repeated General Meeting of Shareholders shall have the authority (quorum) only if shareholders attending the meeting own in the aggregate not less than 30% of the votes granted by the allocated voting shares of the Company.

The notification of the repeated General Meeting of Shareholders shall be given in accordance with the requirements of the Federal Law on Joint Stock Companies. Voting slips for the repeated General Meeting of Shareholders shall be handed or forwarded in accordance with the Federal Law on Joint Stock Companies.

8.14. When conducting the repeated General Meeting of Shareholders less than 40 days after the frustrated General Meeting of Shareholders, persons authorized to attend the General Meeting of Shareholders shall be determined in accordance with the list of persons having been authorized to attend the frustrated General Meeting of Shareholders.

8.15. The General Meeting of Shareholders shall not be conducted at the place and time preventing the majority of shareholders from attending the meeting or making their presence impossible.

The General Meeting shall not be conducted at night time (from 10.00p.m. to 8.00a.m. local time).

The General Meeting shall not be conducted outside the inhabited localities.

8.16. The General Meeting shall be conducted in the hall capable to seat that number of shareholders which was registered at the previous General Meetings.

The General Meeting of Shareholders shall not be conducted in production facilities or other premises prohibiting performance of the regular activities.

8.17. The procedure of the General Meeting of Shareholders shall be established by the General Meeting.

8.18. Votes at the General Meeting of Shareholders shall be cast according to the principle “one voting share – one vote” or during cumulative voting - “one voting share – equal number of votes”.

8.19. During voting, no splitting of votes possessed by the attendee of the General Meeting is allowed. It means that if the attendee has more than one voting share, he/she can not use some portion of the votes to cast them for the decisions and use the other portion of the votes against the decisions or abstain from voting.

8.20. At the General Meeting of Shareholders voting on the items put to the vote, including procedural questions, shall be done by means of voting slips.

8.21. For the General Meeting of Shareholders, a voting slip shall be forwarded by registered mail to each person included into the list of persons authorized to attend the General Meeting of Shareholders not later than 20 days prior to the General Meeting of Shareholders.

8.22. The form and the wording of voting slips shall be approved by the Board of Directors.

The use of several voting slips shall be allowed.

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A voting slip may include one or several items put to the vote.

8.23. When the General Meeting of Shareholders is held in the form of joint presence of shareholders in order to discuss the agenda items and pass resolutions on the items put to the vote with preliminary forwarding (handing) of voting slips prior to the General Meeting of Shareholders, the voting slips shall include the following information:

- the full corporate name of the Company;
- the location of the Company;
- the form of the General Meeting of Shareholders;
- the date, place and time of the General Meeting of Shareholders;
- the end date for receipt of voting slips preliminary forwarded (handed) to the shareholders prior to the General Meeting of Shareholders;
- the postal address to which completed voting slips shall be forwarded (delivered personally to the Company);
- the wordings of the resolutions on the item put to the vote with this particular voting slip;
- the voting options for each proposed resolution on the item put to the vote expressed by “Aye”, “Nay” or “Abstention”;
- an instruction for a shareholder to sign the voting slip.

8.24. When the General Meeting of Shareholders is held by absentee voting, the voting slips shall include the following information:

- the full corporate name of the Company;
- the location of the Company;
- the form of the General Meeting of Shareholders (absentee voting)
- the date of the General Meeting of Shareholders (the end date for voting slips receipt);
- the postal address to which completed voting slips shall be forwarded (delivered personally);
- the wordings of the resolutions on the item put to the vote with this particular voting slip;
- the voting options for each proposed resolution on the item put to the vote expressed by “Aye”, “Nay” or “Abstention”;
- an instruction for a shareholder to sign the voting slip.

8.25. Voting slips may contain additional information specified by the Board of Directors while approving the form and the wording of voting slips.

8.26. In case of cumulative voting for election of the Board of Directors, voting slips shall refer to such voting and clarify cumulative voting procedures.

The cumulative voting slips shall contain such voting options as: “Aye”, “Against All Nominees”, “Abstain from Voting for All Nominees”.

When choosing the “Aye” option, an attendee of the Meeting shall be entitled to cast all votes owned by him/her for one nominee or split his/her votes among two or more nominees.

In case of cumulative voting, the voting slip shall be declared invalid if the attendee of the General Meeting has split among the nominees more votes than he/she owns at the time of voting.

An attendee of the General Meeting shall be entitled to split votes granted by the voting shares owned by him/her in percentage terms, which may be indicated in the voting slip. The votes split among nominees may be expressed both in whole and fractional numbers.

8.27. If voting slip is submitted to the Company prior to the General Meeting of Shareholders held by joint presence/absentee voting, voting slips signed by the representatives of persons included into the list of persons authorized to attend the General Meeting of Shareholders who act according to the powers of attorney shall be accompanied with the power of attorney (a copy certified by the notary) or any other document (a copy certified by the notary) authorizing representatives to act on behalf of shareholders.

If there is a subagent power of attorney, then in addition to the subagent power of attorney (a copy certified by the notary) there should also be the power of attorney (a copy certified by the notary) on which basis the subagent power of attorney was issued.

Power of attorney shall be issued in accordance with Article 185 of the RF Civil Code or shall be certified by the notary.

In case of violation of the rules stipulated by the present article, a voting slip signed by a representative acting according to the power of attorney shall not be taken into account (shall be declared invalid).

8.28. An attendee of the General Meeting shall be entitled to vote at any time after beginning of

the General Meeting.

An attendee of the General Meeting shall be entitled to make and express his/her opinion on items put to the vote both by taking part and without taking part in discussions. It is not the obligation but the right of a shareholder to take part in discussion of the agenda items.

When discussion of the agenda items of the General Meeting of Shareholders is completed, the Chairman of the General Meeting shall announce voting on all agenda items. It means that attendees of the General Meeting, who have not yet cast their votes, have the opportunity to do so.

8.29. Voting slips shall be filled in by attendees of the General Meeting without using polling booths.

In order to accelerate summing-up of vote results, it shall be allowed to use ballot-boxes with the voting options “Aye”, “Nay”, “Abstention” identified.

8.30. Grounds for and consequences of declaring voting slips invalid shall be stipulated by the Bylaws.

8.31. The Company shall keep on file all the received voting slips, including:

- voting slips received by the Company after the end date for voting slips receipt, when the Meeting is held by absentee voting;
- voting slips received by the Company later than two days prior to the General Meeting of Shareholders held by joint presence of shareholders in order to discuss the agenda items and pass resolutions on the items put to the vote with preliminary forwarding (handing) of voting slips prior to the General Meeting of Shareholders.

8.32. The proposals regarding voting on the rules of order of the General Meeting shall be submitted to the Presidium of the General Meeting in the written form.

The proposal shall include:

- the item put to the vote and wording of the resolution on this item;
- name (designation) of an attendee (attendees) of the General Meeting submitting the proposal.

The proposal shall be signed by persons who have submitted it.

The attendees of the General Meeting owning in the aggregate not less than 2 percent the Company's voting shares shall have the right to submit proposals regarding voting on the rules of order of the General Meeting.

Voting rights on the rules of order of the General Meeting shall be granted to the holders of voting shares and to the holders of shares granting voting rights for specific agenda items.

The resolution of the General Meeting regarding the rules of order of the General Meeting of Shareholders shall be passed by the majority vote of shareholders attending the General Meeting representing voting shares as well as shares granting voting rights for specific agenda items.

The Chairman shall announce the proposals submitted to the Presidium in the written form. The wording of the item shall be entered in the minutes of the General Meeting as an additional item regarding the rules of order of the General Meeting with the special number assigned. If several proposals regarding the rules of order were submitted, then each proposal shall be entered in the minutes with individual number assigned.

## **9. DOCUMENTS OF THE GENERAL MEETING OF SHAREHOLDERS**

9.1. Vote results on the items put to the vote shall be summed up by the Returning Board.

The resolution of the General Meeting regarding the agenda item of the General Meeting shall not be deemed passed and shall not be announced until vote results on all agenda items are summed up.

9.2. If the agenda of the General Meeting of Shareholders concurrently contains items regarding election of the members to several Company's bodies, vote results on these items shall be summed up in the following order of precedence, regardless in which order they were reviewed:

- 1) election of the members to the Board of Directors;
- 2) election of the members to the Auditing Committee.

9.3. Members of the Company's body shall be deemed elected, if the number of elected members of this body is not less than the membership of this body provided by the Bylaws in order to establish the quorum for conducting meetings of this body.

9.4. In order for a shareholder to exercise his/her right for repurchase of his/her shares by the

Company, a voting slip with the voting option “Nay” specified against the item put to the vote shall be considered a “Nay” vote. Voting slips with the option “Abstention” specified and invalid voting slips shall not grant to shareholders the right to demand from the Company the repurchase of the Company’s shares owned by them.

9.5. Based on the vote results, the Returning Board shall make up the vote results minutes of the General Meeting of Shareholders which shall present the vote results per each item of the agenda put to the vote.

9.6. The vote results minutes shall include:

- the full corporate name and location of the Company;
- the type of the General Meeting (annual or special);
- the form of the General Meeting (by joint presence or by absentee voting);
- the date of the General Meeting of Shareholders;
- the place of the General Meeting of Shareholders held by joint presence (address);
- the agenda of the General Meeting of Shareholders;
- the time of beginning and end of registration of the persons authorized to attend the General Meeting held by joint presence;
- the time of opening and closing the General Meeting held by joint presence, and in case the resolutions passed by the General Meeting and vote results were announced at the General Meeting – the time of beginning counting the votes;
- the number of votes possessed by the persons included into the list of persons authorized to attend the General Meeting for each agenda item;
- the number of votes possessed by the persons who attended the General Meeting for each agenda item, indicating if quorum was secured for each specific agenda item;
- the number of votes cast per each voting option (“Aye”, “Nay” or “Abstention”) on each agenda item for which the quorum was secured;
- the number of votes for each agenda item put to the vote which were not taken into account because the voting slips were acknowledged invalid;
- the names of the members of the Returning Board, and in case functions of the Returning Board are fulfilled by the Registrar – full company name and location of the Registrar and the names of its authorized representatives;
- the date of making the vote results minutes by the Returning Board.

9.7. The vote results minutes shall be made up in two copies. Each copy shall be signed by the members of the Returning Board.

9.8. The vote results minutes shall be made up not later than 15 days upon closing the General Meeting of Shareholders or the end date for voting slips receipt, when the General Meeting of Shareholders is held by absentee voting.

When the vote results minutes are issued and minutes of the General Meeting of Shareholders are signed, voting slips shall be sealed up by the Returning Board and submitted to archive for filing.

9.9. The vote results minutes shall be attached to the minutes of the General Meeting of Shareholders.

9.10. The vote results minutes are not required to be approved by the special resolution of the General Meeting of Shareholders. The resolution of the General Meeting of Shareholders on the items put to the vote shall be deemed adopted (unadopted) as soon as the vote results minutes are made up.

9.11. Resolutions adopted by the General Meeting of Shareholders as well as the vote results shall be announced at the General Meeting of Shareholders during which the voting was held, or shall be submitted to the persons included into the list of persons authorized to attend the General Meeting of Shareholders in the form of the vote results report within 10 days after the date of making the vote results minutes in due course established for submitting notification on the General Meeting of Shareholders.

9.12. The vote results minutes shall be accompanied with all written complaints and claims submitted to the Returning Board.

9.13. When the General Meeting of Shareholders is held by joint presence of shareholders in order to discuss the agenda items and pass resolutions on the items put to the vote with preliminary forwarding (handing) of voting slips prior to the General Meeting of Shareholders or by absentee voting, along with the vote results minutes, the vote results report shall be made up and submitted to the persons included into the list of persons authorized to attend the General Meeting of Shareholders

within 10 days after the date of making the vote results minutes in due course established by the Bylaws for submitting notification on the General Meeting of Shareholders.

9.14. The vote results report shall include:

- the full corporate name and location of the Company;
- the type of the General Meeting (annual or special);
- the form of the General Meeting (by joint presence or by absentee voting);
- the date of the General Meeting of Shareholders;
- the place of the General Meeting of Shareholders held by joint presence (address);
- the agenda of the General Meeting of Shareholders;
- the number of votes possessed by the persons included into the list of persons authorized to attend the General Meeting for each agenda item;
- the number of votes possessed by the persons who attended the General Meeting for each agenda item, indicating if quorum was secured for each specific agenda item;
- the number of votes cast per each voting option (“Aye”, “Nay” or “Abstention”) on each agenda item for which the quorum was secured;
- the wordings of resolutions passed by the General Meeting on each agenda item;
- the names of the members of the Returning Board, and in case functions of the Returning Board are fulfilled by the Registrar – full company name and location of the Registrar and the names of its authorized representatives;
- the names of the Chairman and Secretary of the General Meeting.

9.15. The minutes of the General Meeting of Shareholders shall be made up within 15 days after closing of the General Meeting of Shareholders.

When the General Meeting of Shareholders is held by absentee voting, the minutes of the General Meeting of Shareholders based on the absentee vote results shall be made up within 15 days after the end date for receipt of absentee voting slips by the Company.

9.16. The minutes of the General Meeting of Shareholders shall include:

- the full corporate name and location of the Company;
- the type of the General Meeting (annual or special);
- the form of the General Meeting (by joint presence or by absentee voting);
- the date of the General Meeting of Shareholders;
- the place of the General Meeting of Shareholders held by joint presence (address);
- the agenda of the General Meeting of Shareholders;
- the time of beginning and end of registration of the persons authorized to attend the General Meeting held by joint presence;
- the time of opening and closing the General Meeting held by joint presence, and in case the resolutions passed by the General Meeting and vote results were announced at the General Meeting – the time of beginning counting the votes;
- the postal address to which the filled in voting slips were sent if the General Meeting was held by absentee voting, or if the General Meeting was held by joint presence – in case voting on the agenda items could be done by submitting to the Company the filled in voting slips;
- the number of votes possessed by the persons included into the list of persons authorized to attend the General Meeting for each agenda item;
- the number of votes possessed by the persons who attended the General Meeting for each agenda item, indicating if quorum was secured for each specific agenda item;
- the number of votes cast per each voting option (“Aye”, “Nay” or “Abstention”) on each agenda item for which the quorum was secured;
- the wordings of resolutions passed by the General Meeting on each agenda item;
- the basic provisions and names of the speakers on each agenda item of the General Meeting held by joint presence;
- the names of the Chairman and Secretary of the General Meeting;
- the date of making the minutes of the General Meeting.

9.17. The minutes of the General Meeting of Shareholders shall be accompanied with the vote results minutes of the General Meeting of Shareholders.

9.18. The minutes of the General Meeting of Shareholders shall be made up in two copies. Each copy shall be signed by the Chairman and the Secretary of the General Meeting of Shareholders.

9.19. Both the minutes of the General Meeting of Shareholders and the vote results minutes shall



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be the documents of permanent storage and shall be easily available for shareholders.

9.20. The copies of the minutes of the General Meeting of Shareholders and the vote results minutes shall be submitted to a shareholder upon request. The copies shall be submitted at the cost not exceeding the Company's expenses for preparation of such copies.

## **10. FINANCIAL PROVISION FOR CONVOCAATION AND HOLDING OF THE GENERAL MEETING OF SHAREHOLDERS**

10.1. The budget of expenditures for convocation and holding of the General Meeting of Shareholders shall be approved by the Board of Directors at the suggestion of the Director General of the Company.

10.2. If the General Meeting of Shareholders is conducted by the decision of persons authorized to call the General Meeting of Shareholders, all expenses incurred by these persons with regard to convocation and conduct of the General Meeting of Shareholders may be reimbursed by the Company based on the resolution of the General Meeting of Shareholders.

## **11. PROCEDURE FOR APPROVAL AND INTRODUCTION OF CHANGES TO THE PRESENT REGULATIONS**

11.1. The Regulations for the General Meeting of Shareholders shall be approved by the General Meeting of Shareholders of the Company.

11.2. Decision on introduction of changes or amendments to the present Regulations or approval of the new revision thereof shall be taken by the General Meeting of Shareholders in accordance with the procedure stipulated by the Federal Law on Joint-Stock Companies and the Company's Bylaws.

11.3. If due to any changes in the RF legislation some clauses of the present Regulations come into conflict with the RF legislative rules, such clauses shall become invalid while the Regulations shall still be valid as related to clauses not contradicting the RF legislation.

11.4. If due to any changes in the Company's Bylaws some clauses of the present Regulations come into conflict with the Company's Bylaws, such clauses shall become invalid and the Company's Bylaws shall be the governing document till introduction of changes to the present Regulations.