

Non-binding translation

APPROVED

by the ~~Extraordinary Annual~~ General Shareholders'
meeting of the Public joint-stock company
«M.video»

Chairman of the ~~Extraordinary Annual~~ General Shareholders' meeting

_____ /John Coleman /

Minutes of the ~~Extraordinary Annual~~ General
Shareholders' meeting No. ~~21~~ dated ~~June~~
~~23, 2016~~

**CHARTER
OF THE PUBLIC JOINT STOCK COMPANY
«M.video»
(new edition)**

Moscow, 20176

1. GENERAL PROVISIONS

1.1. Public Joint Stock Company «M.video», hereinafter referred to as the «Company» is a commercial organization established according to the Civil Code of the Russian Federation, Federal Law «On Joint Stock Companies» dt. 26.12.1995 # 208-FZ (hereinafter referred to as the «Law») and other regulatory legal acts of the Russian Federation for the purpose of ~~meeting public demand and~~ deriving a profit, and shall have its full business independence. The Company is a legal entity and acts on the basis of this Charter and the legal acts of the Russian Federation.

Public joint stock company «M.video» was created as a result of reorganization in the form of transformation of the Limited Liability Company «Company «M.video» based on decision of the General Meeting of Participants of the Limited Liability «Company «M.video» (Minutes №14/2006 dt. July 01, 2006).

1.2. The corporate name of the Company in the Russian language:

- Full name: Публичное акционерное общество «М.видео»;
- Short name: ПАО «М.видео»;

in the English language:

- Full name: Public Joint Stock Company «M.video».
- Short name: PJSC «M.video».

1.3. The Company is registered at: 40/12, bld. 20, Nizhnyaya Krasnosel'skaya Street, 105066, Moscow. ~~The postal address of the Company is: 40/12, bld. 20, Nizhnyaya Krasnosel'skaya Street, 105066, Moscow.~~

1.4. In its activity the Company is governed by the Law, the Civil Code of the Russian Federation, Federal law «On the Securities Market» and other laws of the Russian Federation, as well as by this Charter.

2. LEGAL STATUS OF THE COMPANY

2.1. The Company is a legal entity which owns independent assets on its balance sheet, including property contributed to it by the shareholders in payment for the shares of the Company. The Company may on its own behalf acquire and exercise property and non-property rights, incur obligations, act as plaintiff and defendant in the court, including arbitrary and mediation courts.

2.2. The Company is entitled to open bank accounts in the required manner on the territory of the Russian Federation and abroad.

2.3. The Company has a round seal containing its full legal name in the Russian language and legal address. The seal may also contain the Company's legal name in any foreign language or language of the people of the Russian Federation.

The Company is entitled to have stamps and letterheads containing its name, its logo as well as properly registered trademark or any other means of visual identification.

2.4. In order to perform the activity stipulated herein the Company has all the rights provided by the laws of the Russian Federation, and is entitled to:

- ~~enter into contracts,~~ execute deals and transactions ~~and perform other legal acts, including transactions with loans and promissory notes,~~ with legal entities and individuals, ~~perform other legal acts, take loans and promissory notes,~~ including residents and non-residents;
- ~~buy shares, including cases of share purchase~~ from the Company's shareholders including for the purposes of its further sale to any other shareholders or any other third parties within for 1 (one) year from the date of its purchase;
- participate in other corporate organizations, have subsidiary and affiliated companies with the rights of the legal entity on the territory of Russia established according to the Russian law and outside the territory of the Russian Federation established according to the legislation of the foreign country at the place of registration of the subsidiary or affiliated

~~company unless provided otherwise by the international treaty with the Russian Federation, establish by virtue of the agreement with other legal entities participate in financial industrial group and other associations or unions of commercial organizations, participate in their activity, invest funds on a commercial basis, establish companies (assets groups), create and be a shareholder (participant) of companies with foreign investments, execute simple partnership agreements~~ both with domestic and foreign partners on the territory of Russia and abroad;

- ~~issue shares and other the~~ securities and perform operations with them pursuant to the current law of the Russian Federation;
- ~~increase and decrease~~ its charter capital according to the terms and conditions stated in the ~~resolution decision~~ of the General shareholders' meeting ~~or Board of directors made by a corresponding governing body pursuant to its authority which is provided and subject to by the provisions of the current law legislation~~ of the Russian Federation and this Charter;
- participate tenders and in trading, execute in the established manner license agreements both within the country and abroad for the purpose of purchasing and selling products and ~~necessary~~ materials;
- hire experts and highly qualified specialists, including non-residents;
- determine forms, amounts and types of remuneration payable to the Company's employees, including payment in kind, and in cases provided by the law of the Russian Federation – in foreign currency;
- ~~rent or provide into sub-lease, provide for temporary use buildings, premises, equipment and transport owned by the Company on a free of charge basis;~~
- The Company may create branches and open representative offices on the territory of the Russian Federation and abroad pursuant to requirements of the current law of the Russian Federation, the law of CIS countries and relevant laws of foreign states, in which branches and representative offices are located, unless otherwise provided by an international treaty of the Russian Federation;
- carry out any other operations not prohibited by the laws of the Russian Federation.

2.5. The Company performs all kinds of foreign economic activity in the manner established by the laws of the Russian Federation.

2.6. Interference of state, public and other organizations in the ~~administrative and business~~ activity of the Company shall not be allowed, unless it is preconditioned by their right controlling or monitoring functions according to the laws of the Russian Federation.

2.7. The Company is liable for its obligations by all the property owned by it. The Company is not liable for obligations of its shareholders. Shareholders are not liable for obligations of the Company ~~unless provided otherwise by the currents laws, and bear the risk of losses related to the Company's activity in the amount of shares' value which are owned by them. Shareholders partially paid up their shares, have joint and several liability for the Company's obligations within the unpaid amount for the shares owned by them.~~

2.8. The state and its bodies are not liable for obligations of the Company, and the Company is not liable for obligations of the state and its bodies.

2.9. The Company is deemed to be established from the date of its state registration. The term of the Company's activity is unlimited.

2.10. ~~The Company may create branches and open representative offices on the territory of the Russian Federation and abroad pursuant to requirements of the current law of the Russian Federation, the law of CIS countries and relevant laws of foreign states, in which branches and representative offices are located, unless otherwise provided by an international treaty of the Russian Federation.~~

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3. SUBJECT MATTER AND TYPES OF ACTIVITY

3.1. The aim of the Company is to meet the existing public demand for goods, products, works and services of the Company and to receive profit in the interests of shareholders.

3.2. The Company may have civil rights and obligations necessary for performance of any kind of activity not prohibited by law.

The Company may be engaged in certain types of activity, the list of which is determined by applicable Law, only on the basis of a special permit (license). If conditions for providing a permit (license) for the engagement in a certain type of activity require exclusive engagement in such activity, the Company shall not be entitled to perform any other types of activity rather than those provided by the permit (license) and ancillary types of activity during the whole term of the permit (license).

3.3. Any types of the activity may serve as nature of the Company's business activity, provided they are not prohibited by legal acts of the Russian Federation and correspond to the aims of the Company's activity stated herein.

The main types of the Company's activity are the following:

- Management of financial and business groups;
- Management of subsidiary and other ~~affiliated dependent~~ companies comprising one group with the Company;
- Consulting in the field of commercial activity and management;
- Market and customer research and identification of public opinion;
- Provision of other services;
- Other activity corresponding to the aims of the Company and not contradicting the current law of the Russian Federation.

4. COMPANY SHAREHOLDERS, THEIR RIGHTS AND OBLIGATIONS

4.1. Both individuals and legal entities, ~~including non-residents (excepting cases provided by the law of the Russian Federation);~~ purchased the Company's shares ~~recognized and complied with the provisions of this Charter,~~ may become shareholders of the Company.

4.2. Each ordinary non-documentary registered share of the Company provides the same scope of rights to the shareholder – owner of the shares. Shareholders of the Company – owners of the ordinary non-documentary registered shares according to the terms and provision of the Law and the present Charter are entitled to:

(1) participate in the governance of the Company following the procedure determined by this Charter and the current laws of the Russian Federation;

(2) receive the dividends in the amount proportional to their shares and part of the property if the Company is liquidated;

(3) receive from the ~~governing management~~ bodies of the Company information about the Company's activity, get acquainted with accounting, reporting and other documents, receive copies of statutory and other documents of the Company subject to the provisions of this Charter and legislation of Russia;

(4) sell or in any other manner dispose their shares to other shareholders and/or any third parties without Company's or shareholders' consent;

(5) enjoy the preemptive rights on the acquisition of the additional shares or other securities converted into shares placed by the Company by means of the open public or closed subscription subject to the provisions of legislation of ~~the~~ Russia;

(6) make proposals to the management bodies of the Company, in accordance with their authority, related to the Company's activity, condition of its property, amount of profit and losses, items to the agenda of the Annual and Extraordinary General Shareholders' meetings, proposals on the candidates to the governing and controlling bodies of the Company, candidates on the position of the sole executive body subject to the provisions of legislation of the Russian

Federation, the present Charter and Regulation on the General shareholders' meetings of the Company;

(7) elect and be elected to the governing and controlling bodies of the Company;

(8) authorize any third parties by power of attorney to exercise all or part of the rights vested in the owned shares;

(9) in cases provided by the legislation of the Russian Federation to request buy-back of all or part of their shares by the Company;

(10) participate in the General Shareholders' meetings with the voting rights on all items of its agenda within the authority provided by this Charter and legislation of Russia;

4.3. Shareholders of the Company may also have another rights provided by this Charter and current legal acts of the Russian Federation.

4.4. Irrespectively of the number and type of shares owned, shareholders of the Company are obliged to:

(1) pay for the issued ~~if~~ shares within time periods and by means ~~thods~~ provided by the Civil Code of the Russian Federation, the Law-, this Charter, resolution of the General shareholders' meeting or Board of Directors serving as a ground for the issue—and the share purchase agreement;

(2) comply with the requirements of this Charter and decisions of the governing bodies of the Company;

(3) comply with the insider information and commercial secret policy, keep information about the Company's activity, which is known to them, confidential (the list of the above mentioned confidential—information contains in the legislation of Russia and in the internal corporate documents of the Company and is approved by the Board of Directors of the Company upon proposal of the General Director);

(4) refrain from any actions damaging the interests of the Company or its shareholders members and preventing the Company's operations, activity or activity of its shareholders members and governing bodies of the Company.

4.5. Other obligations may be established for shareholders of the Company by this Charter, the legal acts of the Russian Federation and decisions of the general meeting of shareholders adopted in accordance with its authority.

5. CHARTER CAPITAL

5.1. The charter capital of the Company constitutes 1 797 682 270 (one billion seven hundred ninety seven million six hundred eighty two thousand two hundred seventy) rubles. The charter capital of the Company is divided in 179 768 227 (one hundred seventy nine million seven hundred sixty eight thousand two hundred twenty seven) ordinary registered non-documentary shares with a nominal value of 10 (ten) rubles each.

5.2. The maximum number of shares that the Company may issue in addition to those already placed (authorized shares) is 30 000 000 (thirty million) ordinary registered non-documentary shares with a nominal value of 10 (ten) rubles each. These shares, after its placement, shall have the same scope of vested rights, as the outstanding ordinary registered non-documentary shares of the Company.

5.3. The charter capital of the Company can be increased either by means of additional share issue or by increase of the nominal value of the shares. Charter capital increase by means of additional share issue can be done at the account of the Company's property. Charter capital increase by means of increase of the nominal value of the shares can be done only at the account of the Company's property. The amount by which the charter capital of the Company is increased at the account of the Company's property cannot exceed the difference between the net assets' value and the amount of the charter capital plus reserve fund. If charter capital is increased by means of additional share issue at the account of the Company's property, such shares can placed only by closed subscription between all the shareholders. Each shareholder is entitled to get

shares of the same category (type) which the shareholder owns on a pro-rata basis. Charter capital increase at the account of the Company's property by means of additional share issue is not allowed if as a result of such additional issue fractional shares are created.

5.4. The charter capital of the Company may be decreased either by reduction of the nominal value of the Company's shares or of its total number, including purchase and redemption of the part of the Company's shares.

The Company shall not be entitled to decrease its charter capital if as a result of such decrease its charter capital amount will become less than the minimum amount of the charter capital prescribed by the current legal acts of the Russian Federation on the date of filing of the relevant changes in the Charter of the Company for state registration and in cases, when under the Federal law the Company must decrease its charter capital – on the date of state registration of the Company. Within 3 business days from the date when a decision on charter capital decrease was taken the Company shall notify a governmental authority dealing with state registration of legal entities of such a decision and publish a notification on charter capital decrease twice (once a month) in the mass media used for publication of information on state registration of legal entities. The notification on the Company's charter capital decrease shall contain:

- 1) full and short legal name of the Company, its legal address;
- 2) amount of the charter capital and amount by which the charter capital will be decreased;
- 3) procedure and terms of the charter capital decrease;
- 4) procedure and terms of filing applications by the creditors stating postal address and any additional addresses for delivery of such applications as well as any other means of contact with the Company (phone and fax numbers, e-mail addresses and other information).

Creditors of the Company if their rights of claim appeared before publication of the notification on charter capital decrease shall within 30 business days from the date of last publication of the notification request early termination or performance of relevant obligations by the Company and if early termination is not anymore possible - termination of obligations and compensation of concurrent damages.

6. SHARES AND OTHER ISSUED SECURITIES OF THE COMPANY

6.1. The Company ~~is entitled to issue~~ ordinary non-documentary shares and is entitled to issue; bonds and other securities, as well as one or several types of the preferred shares, provided that the nominal value of the issued preferred shares does not exceed 25% of the charter capital of the Company. The Company is entitled to issue bonds and other securities as provided by the legislation on the securities of Russia.

6.2. The Company undertakes to ensure maintenance and keeping of the shareholders' record of the Company according to current legal acts of the Russian Federation from the moment of its state registration. The shareholders' record of the Company must be kept by a professional participant on the securities market performing activity on keeping record of owners of the registered securities (hereinafter referred to as – «the Registrar»). Any person registered in the shareholders' record of the Company shall notify the Registrar of any changes of his data. If such a person fails to provide information on changes of his data the Company and the Registrar shall not be liable for damages caused thereby.

6.3. All shares of the Company are registered.

6.4. All shares of the Company of the same type have the same nominal value, each share of the certain type and provides to the shareholders – their owners equal scope of rights.

6.5. Payment for the additionally issued shares placed by subscription can be made ~~by money in cash~~, by securities or any other things or property rights or other rights having monetary valuation. Payment for the additionally issued shares can be made by means of set off of the monetary claims to the Company in cases provided by the Law. Payment for other issued securities of the Company can be made only by money in cash.

6.6. It is not allowed to release a shareholder from his obligation to pay for the Company's shares, including payment by setoff of his claims against the Company.

6.7. The Company is entitled to issue additional shares and other securities by means of subscription and conversion. In case of the Company's charter capital increase at the expense of its property the Company may issue additional shares by means of the close subscription (distribution among shareholders). Conversion of the ordinary registered shares into preferred shares, bonds and other securities is not allowed. Conversion of the preferred shares into bonds and other securities, but ordinary registered shares is not allowed.

6.8. Additional shares may be issued by the Company only within the number of the authorized shares provided by this Charter. Resolution on the charter capital increase by means of additional share issue can be made by the General shareholders' meeting together with the resolution on introduction of changes to the Charter provisions related to the number of the authorized shares or introduction of the provisions related to the number of the authorized shares necessary under the Law for making such a resolution.

6.9. Decision on the Company's charter capital increase by means of increase of the nominal value of the Company's shares shall be taken by the General Meeting of Shareholders.

6.10. Decision on the Company's charter capital increase on the account of its property by means of additional shares' issue by closed subscription (distribution among shareholders of the Company) shall be taken by the General meeting of shareholders.

6.11. Additional issue of shares (other securities of the Company convertible into shares) by closed subscription is subject to the decision of the General Meeting of Shareholders on the Company's charter capital increase by means of additional issue of shares (other securities of the Company convertible into shares) which is taken by a $\frac{3}{4}$ (three-fourths') majority of shareholders' votes— owners of the voting shares participated in the General Meeting of Shareholders.

6.12. Additional issue of shares by open subscription to ordinary shares constituting more than 25% of the outstanding ordinary shares is subject to the decision of the General Meeting of Shareholders which is taken by a three-Fourths' majority of shareholders' votes – owners of the voting shares participated in the general meeting of shareholders.

6.13. Additional issue of the securities convertible into shares by open subscription which can be converted into ordinary shares constituting more than 25% of the outstanding ordinary shares is subject to the decision of the General Meeting of Shareholders which is taken by a $\frac{3}{4}$ (three – fourths') majority of shareholder's votes –owners of the voting shares participated in the general meeting of shareholders.

6.14. Additional issue of shares by open subscription to ordinary shares constituting less than 25% of the outstanding ordinary shares or to the securities convertible into ordinary shares which can be converted into the ordinary shares constituting less than 25% of the outstanding ordinary is subject to decision of the Company's Board of Directors which is taken by all members unanimously, votes of the Board members left are not counted.

7. PURCHASE OF PLACED SHARES BY THE COMPANY

7.1. By the decision of the general meeting of shareholders on decrease of the charter capital the Company is entitled to purchase the outstanding shares in order to reduce its total number (redemption). Shares purchased by the Company according to the decision on the charter capital decrease are canceled at the moment of its purchase. The Company cannot take a decision on charter capital decrease by means of purchase of the part of outstanding shares in order to reduce its total number if the nominal value of the rest outstanding shares will become less than minimal amount of the charter capital required by Law.

7.2. Payment for the shares purchased shall be made in cash.

7.3. The decision on share purchase shall determine the category (types) of shares for purchase, the number of shares of each category (type) to be purchased by the Company, the purchase price, the form and terms of payment for the shares and time period within which shareholders' applications on sale of their shares to the Company or revocations to sell ~~purchase~~ shall be made.

7.4. The time period within which the shares shall be purchased cannot be less than 30 (thirty) days, and the time period of the payment by the Company for the shares cannot be more than 15 (fifteen) days from the expiration date of the period determined for the acceptance or revocation of applications.

7.5. Not later than 30 (thirty) ~~days~~ before the beginning of the period within which the shareholders applications on sale of their shares or revocation of such applications for purchase of the shares, the executive bodies of the Company shall notify ~~all~~ the shareholders – owners of the shares of those categories (types), about which ~~the decision on purchase of which~~ has been ~~taken made~~. The notice shall contain the following information: Company's legal name and registered address, categories (types) of the ~~purchased~~ shares to be purchased, number of shares of each category (type) to be purchased by the Company, purchase price, form and time period of payment, time period within which shareholders' applications on sale of their shares to the Company or revocations of such applications shall be made, information about the Registrar of the Company, official date established as a commencement date of share purchase, official date established as an expiration date of share purchase, postal addresses to which filled in written applications on sale of their shares shall be delivered. Form of ~~a written the~~ application on sale of the shares owned by the shareholder can shall be attached to the notice. Such notice shall be delivered to shareholders ~~– owners of the shares of those categories (types) about which the decision on purchase has been made in the manner which applies to the notification about the General shareholders' meeting~~.

7.6. Each shareholder – owner of the shares of those categories (types) about ~~decision on the purchase of which the decision on purchase~~ has been made taken, is entitled to sell such shares, and the Company is obligated to buy them.

7.7. If the total number of shares, in respect of which the Company has received applications on its sale to the Company, exceeds the number of shares that may be purchased by the Company pursuant to decision of the general meeting of shareholders on the charter capital decrease shares shall be purchased from shareholders pro rata to the applications filed. In this case order of applications filed is not taken into account.

~~7.8. A shareholder – owner of shares of those categories (types), decision on the purchase of which has been taken, is entitled within the established time period to file to the Company a written application on sale of his shares. The application shall be delivered by registered mail or hand delivered at the addresses stated in the notice. Filing date of an application is defined by the date of the registered mail delivery or by the date of the actual hand delivery. Application on sale of the shares from shareholder registered in the shareholders' register or revocation of such application shall be filed to the Registrar of the Company either by postal delivery, or by hand delivery in hard copy signed by the shareholder against receipt in writing if this is prescribed by the rules according to which the Registrar of the Company keeps the shareholders' register or by sending the electronic document signed by the certified digital signature. The above mentioned rules may also provide the option for signing of the before said electronic document by simple or nonqualified digital signature. In this case the electronic document signed by by simple or nonqualified digital signature is recognized equal to the document on paper (in a hard copy) signed personally.~~

Starting from the date on which the Registrar receives the shareholders' application on sale of the shares and till the date of entry in the shareholders' register about the transfer of title to the purchased shares to the Company or till the date of receipt of the shareholders' revocation of such application, the shareholder is not entitled to dispose the shares for sale including its pledging or any other encumbrances, about what the Company's Registrar makes the entry by

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~~blocking the account on which the shareholders' shares are kept without getting any instruction from the shareholder,~~

~~7.9. Filled in written application on sale of the Company's shares of the shareholder is recognized as acceptance of the Company's offer to purchase a certain number of such shares and a transfer order for the Registrar on making changes in the shareholder's personal account in respect of the number of shares which will be purchased by the Company.~~

~~7.10. Within 30 (thirty) business days from the expiration date set for the applications' on sale receipt, the executive body of the Company shall take a decision on the number of shares to be purchased from each shareholder, notify the Registrar thereof and transfer to each shareholder payable amounts.~~

~~7.9. A shareholder not registered in the shareholders' register of the Company enjoys the right on filing of the application on sale of the owned share by giving a corresponding instruction to the person keeping the record of rights (title) to the shares of the Company. In this case such instruction shall be given according to the legislation on the securities of the Russian Federation and shall contain information about the number of shares of each category (type) offered for sale.~~

~~From the date of receipt by the nominal holder of the shareholder's instruction on sale of the share and till the date of transfer of title to such shares to the Company at the account of the corresponding nominal holder or till the date when the nominal holder was informed that the Registrar of the Company has received revocation of the application from the shareholder, the shareholder is not entitled to dispose the shares for sale including its pledging or any other encumbrances, about what the Company's Registrar makes the entry by blocking the account on which the shareholders' shares are kept without getting any instruction from the shareholder.~~

~~7.10+. The Company is entitled to purchase the issued shares for purposes other than charter capital decrease under the decision of the Company's Board of. The shares' purchase procedure according to the decision of the Company's Board of Directors shall follow the rules established by clauses 7.2-7.9+ hereof. The Company is not entitled to take a decision on purchase of shares, if nominal value of the Company's outstanding shares will be less than 90% of the charter capital of the Company. Shares acquired by the Company according to this provision of the Charter do not provide any voting rights, they are not counted in the process of the voting and dividends are not assessed. Such shares shall be sold at the price not lower than the market price and not later than 1 year from the date of its purchase. Otherwise the General shareholders' meeting shall take a resolution on the decrease of the charter capital of the Company by means of redemption of these shares.~~

~~7.11. Issues related to the acquisition by the Company of the Company's shares and exercise by the shareholders of the right to sell their shares are regulated by the above provisions 7.2-7.10 of this Charter and if not then Law provisions shall apply.~~

~~7.12. The Company is not entitled to purchase its shares in cases expressly provided by the current legal acts of the Russian Federation.~~

8. BUY-BACK OF THE SHARES BY THE COMPANY ON SHAREHOLDERS' REQUEST

8.1. Shareholders – owners of the voting shares are entitled to request buy-back of all or part of their shares by the Company in the following cases:

(1) reorganization of the Company or execution of a major transaction subject to the resolution on the consent regarding its execution or its post fact approval by the General shareholders' meeting which were approved by the decision of the general meeting of shareholders of the Company, if they did not participate in voting on these agenda items or voted against such reorganization or against the consent on the execution of such transaction or its post fact approval ~~did not participate in voting on these agenda items;~~

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(2) introduction of changes and amendments to the Company's Charter (resolution of the General shareholders' meeting which serves as a ground for such introduction of changes and amendments to the Company's Charter)-or approval of the Company's Charter in a new edition limiting their rights, if they voted against taking such a decision or did not participate in voting;

(3) when the general meeting of shareholders took a decision on introduction of changes to the Company's Charter excluding reference to the fact that Company is public or on filing the application on delisting of shares and (or) other securities of the Company, convertible into Company's shares if they voted against taking such a decision or did not participate in voting.

8.2. The list of shareholders entitled to request a buy-back of their shares by the Company shall be compiled on the basis of information contained in the shareholder's register of the Company as of the date of compiling a list of persons entitled to participate in the General meeting of shareholders, the agenda of which included s items voting on which, pursuant to the Law may resulted in the right to request a buy-back of the shares and on the bases of the shareholders' requests on purchase of their shares filed to the Company. The number of shares of each category (type) which shareholders may present for the buy-back shall not exceed the number of their shares of a corresponding category (type) determined on the basis of the information contained in the shareholder's register of the Company as of the date of compiling a list of persons entitled to participate in the General meeting of shareholders, the agenda of which included s items voting on which, may resulted in the right to request a buy-back.

8.3. Buy-back of the shares by the Company shall made at the price determined by the Board of Directors of the Company, but not lower than the market price which shall be determined by an appraiser irrespective of its change resulted in the Company's actions which cause creation of right to request appraisal and buy-back of the shares. The price of shares presented for buy-back in cases provided by sub clause 3 of the clause 8.1. of this Charter above cannot be lower than its volume-weighted average price determined by the results of the stock exchange trading for 6 (six) months preceding the date when the decision on holding of the general meeting of shareholders with the agenda item on filing the application on delisting of shares and (or) other securities of the Company, convertible into Company's shares was made.

~~8.45.~~ Shareholders once exercising the right to request a ~~the~~ buy-back of their shares shall follow and comply with the legislation of the Russian Federation.

9. GOVERNANING AND CONTROLLING BODIES OF THE COMPANY

9.1. The governing bodies of the Company are the following:

- (1) General meeting of shareholders;
- (2) Board of Directors;
- (3) General Director (sole executive body).
- (4) Management Board (collegial executive body)

Functions of the governing bodies of the Company in the process of its liquidation shall be performed by the liquidation commission which is appointed either by decision of the General meeting of shareholders decided on the Company's liquidation or the by court (arbitration) decision.

9.2. The Revision commission is the controlling body of the Company performing control of the financial and operation activity and financial situation of the Company.

9.3. The General meeting of shareholders is the highest governance body of the Company.

9.4. The Board of Directors is elected at the annual general meeting of shareholders for a period till the next annual general meeting of shareholders according to the requirements provided by this Charter.

9.5. The Revision commission is elected at the Annual General meeting of shareholders for a period till the next Annual General meeting of shareholders of 1 year.

9.65. The General Director and Management Board (if elected) arrange management of the day-to-day operational activity of the Company.

9.7. If the Management Board is not created, decisions on matters reserved for the Management Board shall be transferred to the Board of directors except for the items in sub-clauses 2 and 4 of the clause 14.2. of article 14 of this Charter, which shall be transferred to the General Director of the Company.

Отформатировано:
По ширине, Автовыбор интервала между восточноазиатскими и латинскими буквами, Автовыбор интервала между восточноазиатскими буквами и цифрами

10. GENERAL MEETING OF SHAREHOLDERS

10.1. The general meeting of shareholders is authorized to take the following decisions:

- (1) introduction of changes and amendments to the Company's Charter or approval of the Company's Charter in a new edition;
- (2) reorganization of the Company;
- (3) liquidation of the Company, appointment of the liquidation commission and approval of liquidation balance sheets (interim and final ones);
- (4) determination of the number of the Board of Directors' members, election of its members and early termination of their authority;
- (5) determination of the number, nominal value, category (type) of the authorized shares and rights vested in such shares;
- (6) increase of the charter capital of the Company by increasing the nominal value of shares; ~~by additional issue of shares by means of the closed subscription;~~
- (7) additional issue of the ordinary shares by means of the open subscription constituting more than 25% of the outstanding placed ordinary shares or other securities convertible into ordinary shares which can may be converted into ordinary shares constituting more than 25% of the outstanding ordinary shares;
- (8) decrease of the charter capital of the Company by reduction of the nominal value of shares;
- (98) decrease of the charter capital of the Company by purchasing part of the shares by the Company for the purpose ~~to of reduce ing~~ their total number, and by cancelation of shares purchased or bought-back by the Company;
- (109) election of members of the Revision commission of the Company and early termination of their authority;
- (110) approval of the external auditor of the Company;
- (124) payment (announcement) of the dividends on the results of the first quarter, 6 (six) months, 9 (nine) months of the reporting year;
- (124.1.) distribution of net profit (including payment (announcement) of the dividends), excluding payment (announcement) of the dividends on the results of the first quarter, 6 (six) months, 9 (nine) months of the reporting year) and losses of the Company on results of a reporting year;
- (132) determination of the procedure of the conducting the general meeting of shareholders;
- (143) election of the Counting commission members and termination on their authorities ;
- (154) splitting and consolidation of the Company's shares;
- (165) resolution on the consent regarding the execution or post fact approval of the interested party transactions in cases provided by the ~~current legal acts law~~ of the Russian Federation;
- (176) resolution on the consent regarding the execution or post fact approval of the major transactions related to acquisition or disposal of the property by the Company in cases provided by the law of the Russian Federation;
- (187) purchase of the outstanding (placed) shares by the Company in cases, provided by the ~~legislation of the Russian Federation Law~~;
- (198) Company's participation in financial and industrial groups and associations and other unions of commercial organizations;

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(2019) decision on filling of the application on delisting of the Company's shares or other securities convertible onto Company's shares;

~~(21) decision on filling of the application on listing of the Company's shares or other securities convertible onto Company's shares;~~

(212) approval of the internal documents regulating ~~on~~ the governing and controlling bodies of the Company;

(223) decision on allocation of costs related to the convention of the Extraordinary Ggeneral meeting of shareholders, unplanned audits and Revision commission examinations initiated by shareholders at ~~the~~ Company's account;

(234) decision on transfer of the authorities of the sole executive body of the Company to the commercial organization (management company) or individual entrepreneur (manager);

(24) determination of the remuneration and compensation amounts payable to the Board of Directors in the course of performing of their functions of the members of the Board;

(25) other matters issues which are as provided by the current ~~legislation and acts~~ of the Russian Federation and this Charter.

10.2. The General meeting of shareholders is not entitled to consider items and take resolutions (decisions) on matters which are not referred to its authority by the legislation and acts of the Russian Federation and this Charter. Matters referred to the authority of the Ggeneral meeting of shareholders cannot be transferred for resolution (decision) to the executive bodies of the Company. Matters referred to the authority of the General meeting of shareholders cannot not be referred for decision of to the Board of Directors, unless otherwise provided by the legislation and acts of the Russian Federation.

10.3. The General meeting of shareholders is not entitled to take resolutions (decisions) on items not included in its agenda or change the agenda of the General meeting of shareholders.

10.4. Decisions on items specified in sub-clauses 4, 10, 11 and 12 of clause 10.1 of this Charter hereof shall be taken only at the General meeting of shareholders convened in the form of a meeting (joint presence of shareholders for discussion of the items of the agenda and decision making on items put for voting).

10.5. Resolutions (dDecisions) of the General meeting of shareholders on items put for voting shall be taken by the majority votes of shareholders participating in the meeting and owning shares providing voting rights on the given items, unless a larger number of votes is provided by this Charter or legislation of the Russian Federation.

Resolutions (dDecisions) on items specified in sub-clauses 2, 6, 8, 15-19, 212, 23 of the clause 10.1 of this Charter hereof shall be taken by the General meeting of shareholders only upon the proposal of the Board of Directors of the Company.

Resolutions (dDecisions) on items specified in sub-clauses 1-3, 5, 7-8, 17-18 and 20 of the clause 10.1 of this Charter hereof shall be taken at the General meeting of shareholders by three-~~four~~ (3/4) majority votes of shareholders – owners of the voting shares participating in the General meeting of shareholders unless otherwise provided by Law.

Resolutions (dDecisions) on items specified in sub-clause 20 of the clause 10.1 of this Charter hereof enters into force only if the total number of shares regarding which shareholders requested a buy-back does not exceed the number of shares which can be purchased (bought-back) subject to the limitations set forth by the Law.

10.6. The following shareholders are recognized as shareholders participated in the General meeting of shareholders:

(1) if a General meeting of shareholders is convened in the form of a joint presence (joint presence of shareholders for discussion and decision making on items of the agenda put for voting)–shareholders (their representatives) who were registered and shareholders whose ballots were received at least 2 (two) days before the date of the General meeting of shareholders (if ballots' delivery before the General meeting of shareholders is provided by Law);

(2) if a General meeting of shareholders is convened in the form of absentee voting – shareholders whose ballots were received before the expiration date for the ballots' receipt.

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Shareholders who according to the provisions of Law on the securities of the Russian Federation gave instructions on voting to the persons carrying out record-keeping of their ownership rights on shares are recognized as shareholders participated in the General meeting of shareholders if notices containing their will were received not later than 2 days before the date of the General Shareholders' meeting or before the last date defined for the filled in ballots' receipt in cases when the General Shareholders' meeting is held in the form of the absentee voting.

10.7. The procedure of the General meeting of shareholders' convention, its guideline and other procedural issues shall be established by the By-laws on the General meeting of shareholders, and in the absence of such By-laws – shall be settled as needed by voting in the process of the General meeting of shareholders.

10.8. Decisions taken by General meeting of shareholders shall be binding on all shareholders either present or not at the shareholders' meeting.

10.9. Expenses related to preparation and convention of the General meeting of shareholders called at the initiative of the Board of Directors, the Revision commission and the auditor of the Company are covered by the Company.

Expenses related to preparation and convention of an extraordinary General meeting of shareholders called at the initiative of shareholders shall be covered by them before preparation steps were taken and in the amount determined by the General Director. By the decision of the General meeting of shareholders such expenses may be covered by the Company and compensated by the shareholders – initiated the extraordinary general meeting of shareholders accordingly.

10.10. The General meeting of shareholders can be called by the Board of Directors' decision taken on its own initiative or on the initiative of persons authorized to do so by this Charter.

Board of Directors' decision on calling of a General meeting of shareholders shall determine a form of the General meeting of shareholders, date, place, time of the General meeting of shareholders, its agenda, list of information (materials) to be provided to shareholders in the course of preparations for the General meeting of shareholders and way of its provision, date on which of compiling the list of persons entitled to participate in the General meeting of shareholders are fixed, –way of notification the shareholders of the General meeting of shareholders and if the General meeting of shareholders is held in the form of absentee voting – last date for the ballots' receipt and postal address for delivery of the filled in ballot papers..

If the agenda includes items, voting on which may, pursuant to the Law result in the creation of shareholders' rights to request buy-back by the Company of their shares, the Board of Directors shall determine the share price, way and time period for buy-back procedure. Board of Directors' decision on calling of the General meeting of shareholders in the form of a joint presence shall also contain information on the date, place and time of beginning and completion of registration of the General meeting participants.

Board of Directors' decision on calling of the General meeting of shareholders in cases provided by Law shall also contain information on the form and text of the ballot paper, first and last dates of ballots' receipt by the Company, postal address, to which filled in ballots shall be delivered. The date of providing ballot papers to shareholders shall be determined at least 20 (twenty) days before the General meeting of shareholders. Way and manner for the ballot papers for voting at the General meeting of shareholders delivery is defined by the Regulation on the General meeting of shareholders of the Company.

10.11. Notification of calling of the General meeting of shareholders shall be made at least 30 (thirty) days, and notification of calling of the General meeting of shareholders containing agenda item on the reorganization in the form of merger, split-up or spin-off or on the appointment of the sole executive body or on termination of his/her authority and/or on the elections of Board of Directors' members shall be made at least 50 (fifty) days before the date of the General meeting of shareholders, unless another period is provided by the legislation of the Russian Federation.

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Within the above period of time a notification on holding of the General meeting of shareholders shall be presented to the persons entitled to participate in the General meeting of shareholders and registered in the Company's shareholders register by publication on the website of the Company in the internet at the following link: <http://invest.mvideo.ru>. Information (materials) provided to the shareholders in the course of preparations for the General meeting of shareholders are also published on the website of the Company in the internet at the following link: <http://invest.mvideo.ru>. Ballot papers for voting and information (materials) necessary to shareholders for decision making can be provided –upon request at the legal address of the Company upon each shareholders' request.

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If the person registered in the Company's shareholders' register is a nominal holder, notification on calling of the General Shareholders' meeting together with the information (materials) subject to provision to the persons entitled to participate at the General Shareholders' meeting in the course of its preparation shall be sent according to the rules of Law on the securities of the Russian Federation relating to the provision of the information (materials) to the persons exercising rights to the shares.

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10.12. ~~Decisions of the items included to the agenda of the General meeting of shareholders shall be made on each item separately. Quorum of the General meeting of shareholders (quorum on the items included to the agenda of the General meeting of shareholders) shall be determined according to the requirement of the legislation of Russia. Decision of the General meeting of shareholders on each separate item of the agenda shall be deemed valid, if shareholders participated in voting owned in aggregate more than a half of the voting shares of the Company that entitle their owners to vote on such an agenda item (i.e. in the presence of a quorum).~~

10.13. The Annual General meeting of shareholders shall be held under the Board of Directors' decision not earlier than in 2 (two) months and not later than in 6 (six) months of the end of the financial year.

10.14. Extraordinary General meeting of shareholders shall be held under the Board of Directors' decision taken on its own initiative, or on request of the Revision commission of the Company, the auditor or a shareholder (s) owning at least 10% of the voting shares of the Company on the date when such request is filed.

10.15. The procedure of filing proposals and approving the agenda of the General meeting of shareholders, procedure for calling (way of filling the request on calling, its content and etc), terms for the convention the General meeting of shareholders as well as other issues related to holding of the General meeting of shareholders shall be determined by the Regulation on the General meeting of shareholders of the Company, current legislation of the Russian Federation and the present Charter.

10.15.1 Shareholders (shareholder) owning in total at least 2% (two percent) of the voting shares of the Company are entitled to introduce items to the agenda of the annual General meeting of shareholders and propose candidatures for elections to the Board of Directors, ~~Management Board (collegial executive body),~~ Revision commission of the Company total number of which shall not exceed number of members of the corresponding body, ~~as well as candidature of the General Director (sole executive body) of the Company.~~ Such proposals shall be filed to the Company within 60 (sixty) days after the end of the financial year.

10.16. The list of persons entitled to participate in the General meeting of shareholders shall be made according to the rules of Law on the securities of the Russian Federation relating to the compilation of lists of persons exercising the rights to the shares, on the basis of data contained in the shareholders' register of the Company on the date which is established by the Board of Directors of the Company. The date on which of compiling the list of persons entitled to participate in the General meeting of shareholders (closing date of record) is fixed cannot be established earlier then 10 (ten) days from the date of the decision on calling of the General meeting of shareholders and more than 25 (twenty five) days before the date of the General meeting of shareholders, and if item on the elections of the Board of Directors' members of the Company is included in the proposed agenda of the Extraordinary General meeting of

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shareholders – more than 55 (fifty five) days before the date of the Extraordinary General meeting of shareholders. List of persons entitled to participate in the in the General meeting of shareholders excluding information on voting (information on their will) shall be presented by the Company for acknowledgement upon request of such persons included to the list and holding not less than 1% (one percent) of the voting shares. Information related to the identification of the individuals included to the list excluding their full name shall be presented only upon their consent.

10.17. The working bodies of the general meeting of shareholders are its Chairman and secretary. The Chairman of the Board of Directors, and in his absence – the General Director of the Company shall perform functions of the Chairman of the General meeting of shareholders or any other person authorized (approved) at the General meeting of shareholders.

10.18. Functions of the secretary of the General meeting of shareholders are performed by the corporate secretary of the Company or by any other person having professional skills which allowed her/him to record the process of the General meeting of shareholders with the help of stenography or technical (audio and video) recording is appointed by the Chairman of the General meeting for any such meeting.

10.19. Voting at the General meeting of shareholders shall follow the principle «one voting share –one vote», unless otherwise provided by the current legal acts of the Russian Federation.

10.20. Minutes of the General meeting of shareholders shall be prepared not later than 3 (three) days after closing the General meeting of shareholders or the last date set for the ballots' receipt in case the General meeting of shareholders is convened by absentee voting. The Minutes shall be prepared in 2 (two) samples, both signed by the Chairman and the secretary of the General meeting of shareholders.

The Minutes of the General meeting of shareholders shall mandatory contain: the place and time of the General meeting of shareholders, the total number of votes of the shareholders – owners of the voting shares of the Company, the Chairman and the secretary of the meeting and its agenda as well as other information provided by Law. The Minutes of the General meeting of shareholders shall contain the main points of speeches, items put for voting and voting results, the decisions taken by the meeting.

10.21. If all the voting shares of the Company are owned by one shareholder, decisions on items referred to the authority of the General meeting of shareholders shall be taken solely by such shareholder and executed in a written form. Therefore provisions of this Charter and of the By-laws on the General meeting of shareholders determining the procedure and time period for preparation, calling and convention of the General meeting of shareholders shall not apply, except for the provisions related to the time of convention the annual General meeting of shareholders.

Decisions of the General meeting of shareholders taken on items which were not included in the agenda of the General meeting (excepting the cases when all shareholders participated in the General meeting) or taken with a breach of the General meeting authority, without necessary quorum of the General meeting or without needed majority of the shareholders' votes are invalid even if they are challenged at court.

11. BOARD OF DIRECTORS OF THE COMPANY

11.1. Matters of general governance of the Company except for items referred by this Charter to the authority of the General meeting of shareholders shall fall within the authority of the Board of Directors of the Company.

The following items shall refer to the authority of the Board of Directors of the Company:

(1) approval and/or-determination of the main types of the activity, priority business directions of the Company's activity, new business directions of the Company, including fundamentally new types of goods, services and works of the Company, of its subsidiary companies as well as the

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subsidiaries of such subsidiary companies and other legal entities being under control as provided by the section XI of the Law (hereinafter referred to as the “Subsidiary Companies”);

(2) calling of the annual and extraordinary General meetings of shareholders of the Company excluding cases provided by Law ;

(3) approval of the agenda of the General meeting of shareholders;

(4) determination of the date (closing date) of compiling on which the list of persons entitled to participate in the General meeting of shareholders is fixed, and other matters related to preparation and convention of the General meeting of shareholders;

(5) proposal of the items provided by article 10.5 of this Charter hereof for decision by the General meeting of shareholders and other matters provided by the Law;

(6) increase of the charter capital of the Company by means of additional issue of shares within the number of and category (type) of the declared shares of the Company (excluding cases of the charter capital increase by means of additional issue of shares made according to the other provisions of this Charter);

(7) proposals to the General meeting of shareholders on the charter capital decrease by means of the reduction of the nominal value of the Company’s shares;

(8) issue by the Company of the additional shares into which outstanding (placed) preferred shares of a certain type of the Company may be converted, convertible into the ordinary shares or preferred shares of another type if such share issue is not related to the charter capital increase and issue of bonds or other securities, excluding ordinary shares (excepting cases provided by this Charter);

(9) placement by the Company of the bonds or other securities including bonds convertible into shares excepting cases provided by this Charter;

(10) determination of the price (estimation of money value) of the property and/or of subscription or way of its determination and price for buy-back of the shares in cases provided by Law and adoption of the Company’s share market price determination methodology;

(11) purchase of the outstanding shares, bonds and other securities of the Company in cases provided by this Charter and the Law;

(12) election of the sole executive body (General Director) and early termination of his authority, approval of the terms and conditions of the employment agreement between the sole executive body and the Company, including early termination conditions, approval of the salary, bonuses and other benefits to the sole executive body;

(13) proposals to the General meeting of shareholders regarding the transfer of the authorities of the sole executive body to the management company or manager, approval of such management company or manager and determination of the terms and conditions of contact between such management company or manager and the Company;

(14) creation of the collegial executive body (Management Board) of the Company, and determination of the remuneration payable to the Management Board;

(15) election of the Management Board members and early termination of the ~~ir~~ authorities of the members of the Management Board;

(16) recommendations on the remuneration and compensation payable to the Revision commission of the Company;

(17) determination of the remuneration amount payable to the external auditor, approval of the terms and conditions of the agreement with the auditor, performing audit of the financial statements (accounting reports) of the Company prepared in accordance with the Russian accounting standards and International financial reporting accounting standards;

(18) recommendations on the amount of the dividends per share, form and way of its payment, approval of the Dividend policy of the Company;

(19) decision on use of the Reserve and other funds of the Company;

(19) approval of the internal documents of the Company, excepting documents which shall be approved by the General meeting of shareholders and internal documents which shall be approved by the executive bodies of the Company;

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~~(2019.1)~~ approval of the Annual report of the Company, annual financial statement (accounting reports), of the Company prepared in accordance with the Russian and International accounting standards, half-year financial statement prepared in accordance with the International accounting standards;

~~(21) 0~~-establishment of branches and launch of representative offices of the Company, approval of its By-laws, introduction of the amendments and changes to such By-laws, liquidation and closing of branches and representative offices of the Company;

(22) decision on participation (change in participation or termination of the participation) of the Company in the business partnerships or companies, any other commercial or non-commercial organization (excepting cases when such decisions referred to the authority of the General shareholders' meeting), decision on the creation of the commercial organizations, establishment of non-commercial organizations, acquisition of the shares (stakes, equity interest), acquisition (disposal) of any securities convertible into shares, sale or other disposal or encumbrance of shares (stakes in the charter capital, equity interests) in the commercial organizations, decisions on becoming a member or resignation from membership of non-commercial organizations, decision on the approval of any types of contributions to the charter (joint-stock capital) made by the Company into such organization including contributions to the charter (joint-stock capital) and into the assets of any other organizations;

~~(23)~~ increase of the charter capital of the Company by means of the additional issues of the ordinary shares through open subscription constituting less than 25% of the outstanding ordinary share of the Company;

~~(24)~~ additional issues through open subscription of the securities convertible into ordinary shares which can be converted into the ordinary shares and constituting less than 25% of the outstanding ordinary shares of the Company;

~~(25)~~ filling an application on listing of the Company's shares and (or) other securities of the Company convertible in the ordinary shares of the Company;

(26) approval of recommendations for the shareholders of the Company regarding the material corporate actions, including cases of decision making by the General shareholders' meetings on the items related to the execution of the material corporate actions. The material corporate actions are:

- receipt by the Company of the Voluntary or Mandatory tender offer from the person who acquired or plans to acquire more than 30% of the Company's shares;
- reorganization of the Company;
- increase or decrease of the charter capital of the Company;
- delisting of the Company's shares.

~~(27)~~ resolution on the consent regarding the execution or post fact approval of the major transactions related to acquisition or disposal of the property by the Company in cases provided by the current legal acts of the Russian Federation;

~~(28)~~ resolution on the consent regarding the execution or post fact approval of the interested party transactions in cases provided by the current legal acts of the Russian Federation;

(29) approval of the Company's agreements with the affiliated persons with the price exceeding 0.5% of the balance sheet value of the Company's assets as at the last reporting date (excepting the interested party transactions (agreements) subject to approval according to the other provisions of this Charter);

~~(30)~~ approval of the transactions made within the ordinary course of business, approval of the transactions, approval of which is not referred by this Charter to the authority of the General meeting of shareholders, those which are related to acquisition, disposal or the potential disposal or acquisition by the subsidiary Company, directly or indirectly of the property or property rights including exclusive intellectual property rights, licenses as well as works and -services with the value of 15% and more of the balance sheet value of the subsidiary Company's assets as at the last reporting date;

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~~(27) defining of the position of the Company's representative when exercising voting rights vested by the ownership of shares and/or stakes in the charter capital of other legal entities according to the Charter of such legal entities;~~

~~(28) disposal or encumbrance of the Company's shares and/or stakes in the charter capital of other legal entities;~~

~~(29) increase of the charter capital by means of additional issue of the shares within number and category of the authorized shares of the Company;~~

~~(31) approval of the credit limits under credit agreements and agreement on granting of the independent bank guaranty to be made by the Company, including break-down of the creditors;~~

~~(32) approval of the material conditions of the transactions (agreements) or a chain of interconnected transactions (agreements) to be made by the Company – credit (facility) agreements, loan agreements, granting by the Company of the advanced money (lending) or surety ship, acceptance of obligations under promissory note irrespective of the amount of such transactions (agreements);~~

~~(33) approval of the transactions made out of the ordinary course of business with the price more than 0.5% of the balance sheet value of the Company's assets defined on the basis of the accounting reporting of the Company as at the last reporting date;~~

~~(34) issue by the Company of the independent guaranty with the price more than 0.5% of the balance sheet value of the Company's assets defined on the basis of the accounting reporting of the Company as at the last reporting date;~~

~~(35) approval of the Company's Registrar, terms and conditions of the agreement with the Register including terms on termination;~~

~~(36) appointment and termination of the authority of the corporate secretary of the Company and Head of Internal Audit, approval of the Regulation on the Corporate secretary and Internal Audit Charter, performance assessment of the corporate secretary and Head of Internal Audit, and approval of the reports on the performance results of the corporate secretary of the Company and Head of Internal Audit, approval of the remuneration, bonuses and benefits payable to corporate secretary and Head of Internal Audit;~~

~~(37) creation of the committees under the Board of directors and approval of By-laws (regulations) governing its activities;~~

~~(38) approval of the annual plan of activity and development (business-plans) and budgets for the Company and its Subsidiary Companies, ies for the calendar year; approval of the reports on the performance of the annual plan of activity and development (business-plans) for the Company and its Subsidiary Companies and determination of the frequency of the provision of such reports;~~

~~(39) approval of the Budget of the Company and its Subsidiary Companies for the calendar year (both operational and investment) and/or introduction of changes to the Budget of the Company and its Subsidiary Companies for the calendar year in the course of the calendar year (Budget reforecast) according to the internal (local) corporate documents of the Company, approval of the reports on the performance of the Budget of the Company and its Subsidiary Companies;~~

~~(40) approval and/or definition of the long-term plan of strategic development of the Company and its Subsidiaries Companies and any amendments and corrections thereto;~~

~~(41) approval of the marketing strategy of the Company and its Subsidiary Companies, as well as strategy for brand development and sustainability (creation, management and development of the trademarks of the Company and its Subsidiaries Companies);~~

~~(42) approval of the reports on the performance of the annual business plans and budgets by the Company and its subsidiaries set for the calendar year and terms for its provision;~~

~~(36) performance monitoring and control of the fulfillment by the executive bodies of the Company of the resolutions (decisions) made taken by the Board of Directors and General meeting of shareholders;~~

~~(43) approval of any proposals, documents, programmers and/or procedures under recommendation of the Committees -under the Board of directors;~~

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~~(38) approval of the remuneration system according to the provisions of the By-law on salary, compensation system and other motivation incentives of the Company and its subsidiaries;~~
~~(4439) approval of the investment projects and capital expenditures of the Company and its subsidiaries upon the recommendation of the executive bodies of the Company if amount of such projects and expenditures exceed 1% (one percent) of the balance sheet value of the Company of its subsidiary as at the last reporting date;~~
~~(45) appointment and dismissal of the key manager(s) of the top level (employees of the Company - direct subordinates to the General Director) and approval of the terms of their agreements, approval of their salaries, bonuses, compensations and benefits;~~
~~(46) approval of the organizational structure of the Company, remuneration scheme including the approval of the Policy on salaries, motivation systems and benefits, any changes and amendments thereto and (40) approval of Long term motivation programs of the Company's and its subsidiaries employees;~~
~~(474) approval of WIGs and KPIs for the Company, its sole executive body, its collective executive bodies and sole executive bodies of the Company's subsidiaries, its key top-managers of the and top level managers of the Company's subsidiaries;~~
~~(48) approval of risk management and internal control system of the Company and its Subsidiaries Companies, approval of the risk management and internal control policy of the Company and its Subsidiaries Companies, approval of risk matrix of the Company and its Subsidiaries Companies;~~
~~(49) assessment of the corporate governance system of the Company and its Subsidiaries Companies;~~
~~(50) assessment of the candidates to the Board of Directors in terms of the compliance with the independency criteria, recognition of the members of the Board of Directors as an independent director, regular monitoring and analysis of the compliance of the Board members with the independency criteria;~~
~~(51) preliminary approval of actions and decisions of the General Director and/or representatives of the Company when they represent Company's interests as a shareholder (participant) at the general meetings of shareholders (general meetings of the participants) and at the meetings of the Board of Directors (Supervisory Board) of the Subsidiaries Companies and other companies (hereinafter jointly named – "Organizations") while voting and taking decisions on behalf of the Company on the following items:~~
~~51.1. decision on reorganization or liquidation of the Organization;~~
~~51.2. decision on charter capital increase or decrease of the Organization as well as decision regarding the contribution to the assets of the Organization;~~
~~51.3. determination of the number, nominal value, category (type) of the declared shares and rights vested by such shares (in organizations which are public (joint –stock) companies), decision on issue and on the approval of the documents related to the issue by the Organization of the securities including the decision on issue of the securities, prospectus of the securities and report on the results of issue of the securities;~~
~~51.4. approval of the Organization's Registrar, terms and conditions of the agreement with the Register including terms on termination;~~
~~51.5. determination of the price (estimation of money value) of the property, offer price of the shares for placement or way of its determination and price for buy-back of the shares in cases provided by Law and adoption of the Organization's share market price determination methodology;~~
~~51.6. decision on the acquisition of the placed by the Organization shares, bonds and other securities;~~
~~51.7. decision on participation (change in participation or termination of the participation) of the Organization in the business partnerships or companies, any other commercial or non-commercial organization, decision on the creation of the commercial organizations, establishment of non-commercial organizations, acquisition of the shares (stakes, equity~~

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interest), acquisition (disposal) of any securities convertible into shares, sale or other disposal or encumbrance of shares (stakes in the charter capital, equity interests) in such organizations, decisions on becoming a member or resignation from membership of non-commercial organizations, decision on the approval of any types of contributions to the charter (joint-stock capital) made by the Organization into such organization including contributions to the charter (joint-stock capital) and into the assets of the organizations, decision on filling an application on listing or delisting of the shares of the Organization and/or other securities of the Organization convertible into shares of the Organization;

51.8. decision on the consent regarding the execution or post fact approval of the major transactions related to acquisition or disposal of the property by the Organization in cases provided by the law of the Russian Federation;

51.9. decision on the consent regarding the execution or post fact approval of the interested party transactions related to acquisition or disposal of the property by the Organization in cases provided by the law of the Russian Federation;

51.10. approval of the Organization's agreements with the affiliated persons with the price exceeding 0.5% of the balance sheet value of the Company's assets as at the last reporting date (excepting the interested party transactions (agreements) subject to approval according to the other provisions of this Charter);

51.11. approval of the transactions made within the ordinary course of business related to acquisition, disposal or the potential disposal or acquisition by the Organization, directly or indirectly of the property or property rights including exclusive intellectual property rights, licenses as well as works and services with the value of 1% and more of the balance sheet value of the Organization's assets as at the last reporting date;

51.12. approval of the credit limits under credit agreements and agreement on granting of the independent bank guaranty to be made by the Organization;

51.13. approval of the material conditions of the transactions (agreements) or a chain of interconnected transactions (agreements) to be made by the Organization – credit (facility) agreements, loan agreements, granting by the Organization of the advanced money (lending) or surety ship, acceptance of obligations under promissory note irrespective of the amount of such transactions (agreements); approval of the surety ship agreements, pledge of the property agreements including shares/stakes in the charter capital of the Subsidiary companies, granting of the promissory notes or acceptance of the obligations thereunder or any other debt obligations;

51.14. approval of the transactions made out of the ordinary course of business with the price more than 0.5% of the balance sheet value of the Organization's assets defined on the basis of the accounting (financial) reporting of the Organization as at the last reporting date;

51.15. decision on the issue by the Organization of the independent guaranty with the price more than 1% of the balance sheet value of the Organization's assets defined on the basis of the accounting (financial) reporting of the Organization as at the last reporting date;

51.16. election of the sole/collective executive bodies of the Organization, election of the Board of Directors (Supervisory Board) and other collective executive bodies, appointment and early termination of the authorities of the governing bodies, determination on the number of such governing bodies as well as decision on the transfer of the authorities of the sole executive bodies of the Organization to the manager (management company), approval of such manager (management company), approval of the terms of the agreement with such manager (management company);

51.17. approval of the terms and conditions of the agreements to be made with the persons performing the functions of the executive bodies of the Organization, approval of their salaries, bonuses, compensations and benefits, as well as approval of the remuneration and compensation payable to the Board of Directors (Supervisory Board), decision on early termination of their authorities and terms and conditions of early termination with such persons;

51.18. appointment and dismissal of the key manager(s) of the top level of the Organization (employees of the Organization - direct subordinates to the executive bodies of the Organization)

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Междустр.интервал: одинарный, Не изменять интервал между восточноазиатскими и латинскими буквами, Не изменять интервал между восточноазиатскими буквами и цифрами, Поз.табуляции: нет в 1,62 см + 3,23 см + 4,85 см + 6,46 см + 8,08 см + 9,69 см + 11,31 см + 12,92 см + 14,54 см + 16,16 см + 17,77 см + 19,39 см + 21 см + 22,62 см + 24,23 см + 25,85 см

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and approval of the terms of their agreements, approval of their salaries, bonuses, compensations and benefits, decision on early termination of their authorities;

51.19. approval and/or determination of the main types of the activity, priority business directions of the Organization, new business directions of the Organization, including fundamentally new types of goods, services and works of the Organization;

51.20. approval of the annual plan of activity and development (business-plans) for the Organization per business operations, approval of the reports on the performance of the annual plan of activity and development (business-plans) for the Organization;

51.21. approval of the Budget of the Organization for the calendar year (both operational and investment) as well as approval of the out of approved budget expenditures and/or introduction of changes to the Budget for the calendar year in the course of the calendar year (Budget reforecast) according to the internal (local) corporate documents of the Organization, approval of the reports on the performance of the Budget of the Organization;

51.22. approval and/or definition of the long-term plan of strategic development of the Organization and any amendments and corrections thereto;

~~51.23. approval of the reports on the performance of the plan of activity and development of the Organization and frequency of the provision of such reports;~~

~~51.24 approval of the business plans and reports on the fulfillment of the business plan of the Organization;~~

51.23. approval of the marketing strategy of the Organization as well as strategy for brand development and sustainability (creation, management and development of the trademarks of the Organization;

51.24. approval of the investment projects and capital expenditures (including new stores opening and IT projects) if amount of such projects and expenditures exceed 1% (one percent) of the balance sheet value of the Organization as at the last reporting date;

~~51.27. preliminary approval of the candidates to the collective executive bodies of the Organizations and approval of the terms and conditions of the agreements with the members of such collective executive bodies;~~

51.25. approval of the organizational structure of the Organization and Long term motivation programs of the Organization's employees;

51.26. approval of corporate targets (Wildly Important Goals (WIGs) and Key Performance Indicators (KPIs) for the Organization, its sole executive body, its collective executive bodies and its key managers of the top level (employees of the Organization – direct subordinates to the executive bodies of the Organization);

51.27. recommendations on the distribution of the next profit of the Organization including declaration of the dividends and approval of the Dividend policy of the Organization.

(542) decision on other matters related to the Company's activity and provided by the Law and this Charter.

Matters referred to the authority of the Board of Directors of the Company cannot be referred to the executive bodies of the Company for decision.

11.2. Members of the Company's Board of Directors are elected by the annual General meeting of shareholders subject to the procedure provided by this Charter and the Regulation on the Company' Board of Directors.

Election of members of the Company's Board of Directors shall be done by cumulative voting. In case of a cumulative voting the number of votes owned by each shareholder shall be multiplied by the number of candidates nominated for the elections to the Board of Directors, and therefore a shareholder is entitled to give all cumulative votes to one candidate or to distribute all cumulative votes between two or more candidates.

Candidates who received the majority of the cumulative votes are deemed to be elected to the Board of Directors. The term of authority of the Board members starts to run from the moment they are elected by the annual General meeting and continue till the elections by next annual General meeting.

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Persons elected to the Board of Directors of the Company may be re-elected an unlimited number of times. By the decision of the General meeting of shareholders authority of all members of the Board can be early terminated. In case of early termination of the Board members' authority the authority of a newly elected Board of Directors shall be in effect until a new Board of Directors is elected (re-elected) by the next annual General meeting of shareholders.

11.3. If the number of the Board members of the Company becomes less than a half of the number provided by a relevant decision of the General meeting of shareholders and the Law, the Board of Directors shall call for an Extraordinary General meeting of shareholders on the elections of a new Board of Directors. The remaining members of the Board are entitled to take decision only on convention of such extraordinary General meeting of shareholders.

11.4. A person performing functions of the sole executive body (the General Director) cannot concurrently be the Chairman of the Company's Board of Directors. Members of the collegial executive body (the Management Board) cannot constitute more than 1/4 of the Board of Directors of the Company.

11.5. At least 7 (seven-) persons shall be elected to the Company's Board of Directors. The number of the Board members shall be determined by the decision of the General meeting of shareholders. The Board of Directors of the Company shall consist of the independent Directors according to the provisions of the Regulation on the Board of Directors of the Company and the Law.

11.6. The Board of Directors' activity shall be organized by its Chairman elected by the Board members out of them by the majority votes of the total number of the Board members. The Board of Directors is entitled to re-elect its Chairman at any time by the majority votes of the total number of the elected Board members. The General Director of the Company cannot be the Chairman of the Board of Directors.

The Chairman of the Board of Directors convenes the Board meetings and organizes meetings by absentee voting, and arranges keeping of the Board meetings' Minutes.

11.7. In the absence of the Board Chairman his functions shall be performed by one of Board the members according to the Board decision taken by the majority votes of its members participated in the meeting.

11.8. Meetings of the Board of Directors shall be convened by the Board Chairman on his own initiative, upon request of any Board member, the Revision commission, the auditor or the General Director of the Company.

A quorum of the Board meeting is achieved if half of the elected Board members of the Board of Directors are present. For the purposes of defining the quorum and voting results a written opinion on items of the agenda of the Board member not participated in the Board meeting shall be taken into account.

11.9. In making decisions on items in the course of the Board meeting each Board member has 1 (one) vote. Decisions of the Board of Directors shall be taken by the majority of the votes of its members ~~present at the meeting or participated by absentee voting, unless otherwise provided by the current legal acts of the Russian Federation participated in the meeting unless a bigger number of votes for decision making on corresponding items is required and provided by this Charter and the Law.~~

11.10 Board resolutions on items (1), (10), (18), (20), (26) of clause 11.1 of this charter shall be made by the majority votes of all elected members of the Board.

Board resolutions on the proposal to the General meeting of shareholders of items provided by (1), (2), (3), (6), (7), (8), (9), (17), (18), (20) of clause 10.1 of this charter shall be made by the majority votes of all elected members of the Board.

Board resolutions on items related to the preliminary approval of the actions or decisions of the General Director and/or representatives of the Company while representing the Company's interests at the General meetings of shareholders (participants) and in the Board of Directors

(supervisory boards) of the Subsidiary Companies and making decisions on behalf of the Company as a shareholder (participant) of the Subsidiary Companies on the following items:

- making a decision on reorganization or liquidation of the Subsidiary Company;
 - making a decision on distribution of the net profit by the Subsidiary Company including payment (declaration) of the dividends by the Subsidiary Company;
 - making a decision on listing of delisting of shares of the Subsidiary Company and/or other securities of the Subsidiary Company convertible into shares;
 - making a decision on the increase of the charter capital of the Subsidiary Company;
 - making a decision on determination of the price (monetary value) of the property to be contributed as a payment for the charter capital of the Subsidiary Company;
- Shall be made by the majority votes of all elected members of the Board.

11.10. When the decision shall be made on the transaction with a conflict of interest or actual interest of one or several Board members and even in the absence of a formal interest, Board members shall abstain from voting on the items of the agenda regarding which such members of the Board have a conflict of interest or regarding which a conflict of interest may appear.

11.11. Minutes shall be kept at the Board meetings. Minutes of the Board meeting shall be prepared not later than 3 (three) days after such a meeting. Board Minutes shall contain information on the place and time of the meeting, persons participating in the meeting, the agenda of the meeting, items put for voting and voting results, decisions taken and any, other information as provided by the Regulation on the Board of Directors of the Company and the current legal acts of the Russian Federation.

Board Minutes shall be signed by the person presiding at the Board meeting and the corporate secretary. Extracts from the Minutes of the Board of director's meetings shall be certified by the corporate secretary's signature and seal of the Company. In case of a tie vote the Chairman of the Board of Directors has a right to vote. Vice-Chairman of the Board of Directors or another member of the Board of Directors acting as the Chairman of the Board during his absence has no right of vote at Board of Directors' meetings.

11.12. Company Board Members may receive remuneration and/or compensation of the expenses related to their performance of the Board of Directors' functions under the decision of the General meeting of shareholders. Amounts of such remunerations and compensations shall be also determined by the General meeting of shareholders.

12. CORPORATE SECRETARY

12.1. The Board of Directors of the Company shall appoint a corporate secretary for the purposes of proper adherence and compliance with the established procedure of preparation and convention of the General meeting of shareholders and activity of the Company's Board of Directors.

The corporate secretary of the Company performs functions of the Board of Directors secretary and secretary of the General meeting of shareholders of the Company, unless otherwise provided by internal documents of the Company or decisions of the Board of Directors and resolution of the General meeting of shareholders of the Company.

12.2. The General Director of the Company according to the Board decision or any person authorized by the Board of Directors of the Company shall sign a contract with the corporate secretary.

12.3. Terms and condition of contract with the corporate secretary well as amount of the remuneration payable shall be defined by the Board of Directors of the Company ~~or any person authorized by the Board of Directors of the Company.~~

12.4. The corporate secretary of the Company ensures effective cooperation with the Company's shareholders, coordinates Company's actions in terms of protection of the shareholders' rights and interests, arranges effective work of the Board of directors, ensures preparation and convention of the General meeting of shareholders and meetings of the Board of Directors within

the scope of his/her authority and in accordance with the requirements of the legislation of the Russian Federation, this Charter, the Regulation on the corporate secretary and/or other internal documents of the Company.

~~12.2.~~ 12.5. Bodies and executive bodies officers of the Company and Subsidiary Companies shall assist the corporate secretary of the Company in performing his/her functions. Corporate secretary shall have enough independency from the executive bodies of the Company and its subsidiaries and have all necessary authorities and resources to fulfill his/her tasks.

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13. GENERAL DIRECTOR

13.1. The General Director of the Company – its sole executive body manages day-to-day activity of the Company together with the Management Board (if created) within the authority prescribed by this charter.

13.2. The authority of the General Director shall cover all issues related to management of the day-to-day Company's activity, except for matters referred to the authority of the General meeting of shareholders, the Board of Directors and the Management Board (if created). The General Director organizes implementation and performance of the decisions taken by the General meeting of shareholders and the Board of Directors of the Company and reports to them. The General Director acts on behalf of the Company without any power of attorney and is entitled to:

- (1) perform operational management of the Company's activity;
- (2) have the first signature right of the financial documents;
- (3) dispose the Company's property to ensure its current activity within the scope established by this Charter, unless, in cases pursuant to this Charter, the General Director needs the approval of the General meeting of shareholders and/or the Board of Directors and/or the Management Board of the Company for execution of such transactions;
- (4) represent interests of the Company both in the Russian Federation and abroad;
- (5) approve staff-schedules, execute labor agreements with employees of the Company, apply incentives measures and impose disciplinary sanctions;
- (6) execute transactions on behalf of the Company, except for the cases provided by the Law and this Charter;
- (7) issue powers of attorney on behalf of the Company;
- (8) open Company's accounts at the banks;
- (9) arrange accountings' keeping and reporting in the Company;
- (10) ensure maintenance of the shareholders' record of the Company;
- (11) issue orders and give instructions binding on all employees of the Company;
- (12) present the annual report and balance sheet of the Company for the Board's ~~and the General meeting of shareholders'~~ approval;
- (13) provide candidates to the Management Board for the Board of Directors' approval;
- (14) acts as a representative of the Company when exercising voting rights vested by the ownership of shares/stakes in the charter capital (joint-stock capital) in other organizations including Subsidiary Companies according to the charters of such companies and this Charter;
- (15) executes transactions (agreements) in the ordinary course of business with the price more than 0.5% of the balance sheet value of the Company's assets defined on the basis of the accounting reporting of the Company as at the last reporting date, excluding the transactions subject to the approval of the Management Board;
- (16) takes a decision on the issue by the Company of the independent guaranty with the price not more than 0.5% of the balance sheet value of the Company's assets defined on the basis of the accounting reporting of the Company as at the last reporting date;
- (17) approval of the investment projects and capital expenditures of the Company, including agreements to be made for implementation of such investment projects and capital expenditures including acquisition/disposal of the intellectual property rights and licenses if amount of such

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projects and expenditures is not more than 0.5% of the balance sheet value of the Company as at the last reporting date;

(184) perform other functions required for achieving the Company's aims and maintenance of its normal operational activity pursuant to the current legal acts of the Russian Federation, this Charter and the Regulation on the sole executive body of the Company.

13.3. The General Director is elected by the Board of Directors of the Company for 3 years term by the majority votes of the total number of the Board members participating in voting. Contract with the General Director shall be signed by the Chairman of the Board of Directors.

13.4. By decision of the General meeting of shareholders powers of the General Director (sole executive body) can be transferred by contract to a management company (commercial organization) or an individual entrepreneur (manager). Terms and conditions of such contract shall be approved by the Board of Directors of the Company and the contract shall be signed by the Board Chairman. If powers of the General Director are transferred by contract to a management company (commercial organization), provisions of the Charter related to the General Director, including this clause, shall fully apply to such management company.

14. MANAGEMENT BOARD OF THE COMPANY

14.1. Company's Board of Directors may decide on the creation of the collegial executive body - Management Board of the Company. The Management Board of the Company acts under this Charter and Regulation on the Management Board of the Company adopted by the General meeting of the Company's shareholders providing terms and procedures for holding of the Management Board meetings and its decision makings.

14.2. Management of the Company's day-to-day activity is maintained by the Management Board and the General Director within its authorities. ~~Number of the Management Board members and its personal composition is approved by the Board of Directors of the Company under the General Director's proposal and can be changed by the Board of Directors at any time. Members of the Management Board are elected for 3 years term.~~

Creation of the Management Board, determination of the number of the Management Board members and election of the Management Board, excluding the Chairman of the Management Board, being its member according to his/her position subject to the Board of Directors of the Company.

Resolution on the determination (change) of the number of the Management Board members and election of the Management Board shall be made by the Board of Directors upon the proposal of the General Director of the Company.

The Board of Directors may at any time take a decision Deion regarding the change of the number of the Management Board members and on the election of the new members of the Management Board.

Candidate is deemed to be elected to the Management Board if for his/her candidature voted not less than half of the Board of Directors. The Board of Directors cannot elect the candidate to the Management Board without a corresponding proposal of the General Director of the Company.

14.4. Members of the Management Board are elected for the term of 3 years. Authorities of any member of the Management Board can be early terminated. In this case a new member of the Management Board can be elected instead of the member of the Management Board whose authorities has been terminated. Authorities of the members of the Management Board elected instead of the member of the Management Board whose authorities has been terminated shall expire simultaneously with the rest members of the Management Board.

14.5. Rights and obligations of the Management Board on running of the Company's activity are defined by the legislation of the Russian Federation, this Charter and Regulation on the Management Board.

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14.63. Functions of the Chairman of the Management Board are performed by the Company's General Director.

14.74. Member of the Management Board may not necessarily hold shares of the Company. Only an individual can be a member of the Management Board.

14.85. Meetings of the Management Board are held as and when necessary. The general Director chairs the Management Board meetings and ensures keeping of the Management Board meeting Minutes by the corporate secretary of the Company. If the General Director is absent one of his deputies performs his functions of the Chairman of the Management Board subject to his decision (order).

14.96. Meeting of the Management Board has a quorum if ~~all not less than a half of~~ its members participate in the meeting. Written opinion on the items of the agenda of the absent member of the Management Board shall be taken into account for defining the quorum and the voting results Decisions at the meeting of the Management Board ~~shall be are~~ taken ~~unanimously by a simple majority of the votes of the Management Board members participating at the meeting.~~

14.107. ~~All~~ Management Board meetings can be either ~~are~~ held in a form of the joint presence (meeting) or in absentee (by ballots).

14.118. Each member of the Management Board has 1 (one) vote once the Management Board takes decisions. Member of the Management Board is not allowed to transfer his voting rights to another Management Board member.

14.129. The following matters (issues) refer to the authority of the Management Board:

- 1) decisions on general issues related to the Company's development;
- 2) organization of fulfillment and performance of the decisions taken by the Board of Directors and General meeting of shareholders;
- 3) review of the ~~reporting financial statements~~ of the Company including management reporting and financial statements prepared in accordance with the IFRS requirements;
- 3) ~~preliminary approval of the transactions of the Company and/or its subsidiaries (legal entities controlled by the Company) with the value exceeding 10% of the balance sheet value of the Company's and/or its subsidiaries' assets as at the last reporting date, approval of which is not subject to the approval of the General meetings of shareholders and Board of Directors within its authority;~~
- 4) provision of recommendations to the Board of Directors of the Company on matters (items) related to the authority of the Board of Directors of the Company;
- 5) approval of the internal corporate documents (excepting the internal corporate documents regulating the governing bodies of the Company and internal corporate documents subject to the Board of Directors' approval);
- 6) preliminary approval of the list of the credit institutions where the Company may place deposits;
- 7) preliminary approval of free cash limits of the Company which can be placed on deposits for each calendar year;
- 8) approval of the transactions (agreements) or a chain of interconnected transactions (agreements) to be made in the ordinary course of business with the price more than 0.5% but less than 1% of the balance sheet value of the Company's assets defined on the basis of the accounting reporting of the Company as at the last reporting date;
- 9) approval of the investment projects and capital expenditures of the Company, including agreements to be made for implementation of such investment projects and capital expenditures including acquisition/disposal of the intellectual property rights and licenses if amount of such projects and expenditures is more than 0.5% but less than 1% of the balance sheet value of the Company as at the last reporting date;
- 10) issue by the Company of the independent guaranty with the price more than 0.5% but less than 1% of the balance sheet value of the Company's assets defined on the basis of the accounting reporting of the Company as at the last reporting date;

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- 11) approval of the Company's agreements with the affiliated persons with the price not more than 0.5% of the balance sheet value of the Company's assets as at the last reporting date (excepting the interested party transactions (agreements) subject to approval according to the other provisions of this Charter);
- 12) approval of the transactions made out of the ordinary course of business with the price not more than 0.5% of the balance sheet value of the Company's assets defined on the basis of the accounting reporting of the Company as at the last reporting date;
- 13) preliminary approval of actions and decisions of the General Director and/or representatives of the Company when they represent Company's interests as a shareholder (participant) at the general meetings of shareholders (general meetings of the participants) and at the meetings of the Board of Directors (Supervisory Board) of the Subsidiaries Companies and other companies (hereinafter jointly named – "Organizations") while voting and taking decisions on behalf of the Company on the following items:
 - 13.1. preliminary approval of the transactions (agreements) or a chain of interconnected transactions (agreements) to be made in the ordinary course of business with the price more than 0.5% but less than 1% of the balance sheet value of the Organization's assets defined on the basis of the accounting reporting of the Organization as at the last reporting date;
 - 13.2. preliminary approval of the investment projects and capital expenditures of the Organization, including agreements to be made for implementation of such investment projects and capital expenditures including acquisition/disposal of the intellectual property rights and licenses if amount of such projects and expenditures is more than 0.5% but less than 1% of the balance sheet value of the Organization as at the last reporting date;
 - 13.3. decision on the issue by the Organization of the independent guaranty with the price not more than 1% of the balance sheet value of the Organization's assets defined on the basis of the accounting reporting of the Organization as at the last reporting date;
 - 13.4. approval of the Organization's agreements with the affiliated persons with the price not more than 0.5% of the balance sheet value of the Organization's assets as at the last reporting date (excepting the interested party transactions (agreements) subject to approval according to the other provisions of this Charter);
 - 13.5. approval of the transactions made out of the ordinary course of business of the Organization with the price not more than 0.5% of the balance sheet value of the Organization's assets defined on the basis of the accounting reporting of the Organization as at the last reporting date;
 - 13.6. approval of the internal corporate documents regulating the governing bodies of the Organization, as well as regulations and policies of the Organization;
 - 13.7. approval of the charters of the newly created Organizations and new editions of the charters of the Organizations, as well as any amendments and changes to the charters of the of the Organization;
 - 13.8. preliminary approval of the list of the credit institutions where the Organizations may place deposits;
 - 13.9. preliminary approval of free cash limits of the Organizations which can be placed on deposits for each calendar year;
 - 13.10. preliminary approval of the list of the credit institutions with which the Organizations may cooperate on the course of consumer credit provision;
 - 5) ~~13.11. approval of the remuneration system, compensation and benefits of the employees of the Organization, including approval of the Policy on remuneration (salaries), motivation and benefits system of the Organization, and any changes and amendments thereto;~~

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14) decisions on other issues related to the day-to-day Company's activity excluding issues decisions on which are referred to the authority of the General meetings of shareholders and Board of Directors.

15. REVISION COMMISSION OF THE COMPANY

15.1. The Revision commission performs functions of control of the financial and business activity of the Company. The composition (number of members) of the Revision commission and procedure of its activity are determined by the Regulation on the Revision commission approved by the General meeting of shareholders. Members of the Revision commission cannot concurrently be members of the Board of Directors or hold any other positions in the executive bodies of the Company.

The Revision commission is elected by the annual General meeting of shareholders for 1 year term. The General meeting of shareholders is entitled to re-elect certain members of the Revision commission, as well as the Revision commission as a whole.

15.2. The Revision commission examines the financial and business activity of the Company based on the financial year results of the Company and at any time on its own initiative, upon the decision of the General meeting of shareholders or Board of Directors or upon request of the shareholders owning in the aggregate at least 10% of the voting shares of the Company.

15.3. Members of the Revision commission are entitled to request provision of all necessary documents related to financial and business activity of the Company by the Company's officers and employees.

15.4. The Revision commission presents the results of its examinations to the General meeting of shareholders.

15.5. Members of the Revision commission are entitled to request calling of the Extraordinary General meeting of shareholders.

15.6. The Revision commission shall keep Minutes of all its meetings.

16. AUDITOR OF THE COMPANY

16.1. The auditor of the Company examines the financial and business activity of the Company pursuant to the legal acts of the Russian Federation under the corresponding agreement.

16.2. The General meeting of shareholders approves the auditor of the Company. The Board of Directors determines the amount of its remuneration.

17. MAJOR TRANSACTIONS OF THE COMPANY

17.1. A major transaction is a transaction (~~including a loan, credit, pledge, surety~~) or chain of ~~interconnected interlinked~~ transactions) out of the ordinary course of business and related to the: 1) acquisition, disposal or potential disposal by the Company, directly or indirectly, of the property (including a loan, credit, pledge, surety, acquisition of such a number of shares or other securities converted into the shares of the public company which may result in the obligation of the Company to make a mandatory tender offer under section XI.1 of the Law) with the price or balance value of which is -being 25% or more of the balance sheet value of the Company's assets as at the last reporting date on the basis of the accounting reporting or financial statements as at the last reporting date, except for transactions made the Company in the ordinary course of its business, transactions related to the additional issue of the ordinary shares by subscription (offer to purchase) and transactions related to the placement of the securities convertible into the ordinary shares of the Company execution of which is mandatory for the Company under federal laws and other legal acts of the Russian Federation and settlements under which shall be made on prices determined by the procedure adopted by the Russian Government or on prices and tariffs determined by the governmentally authorized Russian federal agency. In case of disposal

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19.1. Fixed assets and working capital, as well as other valuables and monetary funds reflected on the independent balance sheet constitute the Company's property.

18.2. The sources of the Company's property generation are:

- Revenues from issue and placement of the shares and other securities;
- Revenues from sales of goods, products, works and services;
- Other sources not prohibited by the legal acts of the Russian Federation.

19.3. The Company may combine part of its property with the property of state, cooperative, public and other organizations for joint production of goods, performance of works and rendering of services.

19.4. Part of the Company's property may be transferred to its subsidiaries, branches and representative offices subject to the procedure provided by this Charter and the legal acts of the Russian Federation.

19.5. The Company owns the property contributed to it by its shareholders, products produced as a result of its business activity, revenues received and other property acquired by the Company on other grounds not prohibited by the legal acts of the Russian Federation.

19.6. The Company is entitled to sell and/or transfer exchange, lease (sub-lease), provide ~~free of charge~~ for temporary use buildings, premises, equipment, transport, inventory, goods and other material valuables owned by the Company to other ~~companies and organizations, business entities~~, as well as depreciate them in the balance sheet, unless otherwise provided by the legal acts of the Russian Federation.

19.7. The reserve fund of the Company is formed by annual contributions from the net profit (at least 5% of the net profit) to the amount equal to 15% of the Company's charter capital and is reserved for covering losses and unexpected expenses for the financial year results as well as for buy-back of the shares and bonds' redemption in case when the Company has no other funds.

19.8. Under the decision of the General meeting of shareholders other funds can be created in the Company, the procedure of its use shall be determined by the Board of Directors of the Company.

20. DIVIDENDS

20.1. Subject to the provisions of the Dividend policy the Company is entitled to declare payment of the dividends for the results of the first quarter, six months, nine months of a reporting year and (or) the reporting year results on the placed shares. Such decision on payment (declaration) of dividends for the results of the first quarter, six months, nine months of a financial year may be taken within 3 (three) months after expiration of the corresponding period. The Company undertakes to pay dividends declared on each category (type) of the Company's shares. Dividends shall be paid in cash or by any other property unless otherwise provided by the Law.

20.2. The source for payment the dividends is the Company's net profit after taxation (net profit of the Company). The net profit of the Company shall be determined on the basis of financial (accounting) reports of the Company.

20.3. Decisions on payment (declaration) of the dividends, including decisions on the terms and procedure of payment, amount and form of payment the dividends per share of each category (type), closing date of the shareholders' register for the purposes of drawing up the list of persons entitled to receive the dividends shall be taken by the General meeting of shareholders. The decision on the closing date of the shareholders' register for the purposes of drawing up the list of persons entitled to receive the dividends shall be made only upon the proposal (recommendation) of the Board of Directors. The amount of dividends cannot exceed the amount recommended by the Board of Directors.

21. FINANCIAL ACCOUNTING AND REPORTING, DOCUMENTS OF THE COMPANY

21.1. The Company undertakes to keep financial accounts and present financial statements according to the procedure established by the legal acts of the Russian Federation. In accordance with the recognized international practice for the purposes of improvement the transparency of the Company's performance, the Company along with the preparation of the financial reports under Russian accounting standards prepares consolidated financial statements under IFRS and passing an independent audit.

21.2. The sole executive body of the Company is liable for the organization, maintenance and reliability of data contained in the financial accounts of the Company, timely provision of the annual report and other financial statements to the corresponding authorities, as well as presentation of the information of the Company's activity to shareholders, creditors and mass media pursuant to the legal acts of the Russian Federation and this Charter.

21.3. The Company's financial year is established from January 1st to December 31st.

21.4. The annual report on the Company's activity and annual financial (accounting) report together with the Revision commission report and auditor's opinion shall be provided to the Board of directors for approval.

21.5. The Company undertakes to keep the following documents at the place where the sole executive body of the Company locates:

- founders agreement ;
- Charter of the Company, amendments and changes introduced to the Company's Charter and registered in the established manner, resolution of the Company's incorporation, certificate of state registration of the Company;
- documents certifying ownership rights to the property on the Company's balance sheet;
- internal documents of the Company;
- by-laws on branches and representative offices of the Company;
- annual reports;
- financial accounts and reporting documents;
- minutes of the General meetings of shareholders (resolutions of the shareholder – owner of all voting shares of the Company), meetings of the Board of Directors of the Company, the Revision commission of the Company and meetings of the Management Board);
- ballot papers for voting and powers of attorney (copies of the powers of attorney) on participation in the General meetings of shareholders;
- reports of the independent appraisers;
- lists of the affiliated persons of the Company;
- lists of persons entitled to participate in the General meeting of shareholders, entitled to receive the dividends, as well as other lists made by the Company for exercise by the shareholders' their rights pursuant to the requirements of the t legal acts of the Russian Federation;
- the Revision commission reports, the opinion of the Company's auditor, statements of the state and local bodies performing functions of the financial control;
- securities prospectuses, the issuer's quarterly reports and other documents containing information which is subject to public disclosure or shall be otherwise disclosed pursuant to the legal acts of the Russian Federation;
- notifications of execution of the shareholders' agreements delivered to the Company and list of persons executed such agreements;
- court orders on claims related to the establishment of, management of or contribution to the Company;- other documents provided by the legal acts of the Russian Federation and this Charter, internal documents of the Company, decisions of the General meeting of shareholders, the Board of Directors, the executive bodies of the Company.

21.6. Upon shareholder's request the Company shall provide him for consideration copies of documents as provided by the legal acts of the Russian Federation. The amount of such consideration shall be determined by the Company and cannot exceed the amount of costs on making the copies and postal delivery of such documents.

In case of reorganization or liquidation of the Company all documents (managerial, financial, business, related to personnel) shall be transferred in accordance with the established rules to the successor company. In the absence of successors, documents which shall be kept permanently and which have scientific and historical value shall be transferred for state storage to «Mosgorarchiv» archives association, and documents related to the personnel (orders, personal files, time cards, personal accounts) shall be transferred for storage to the archive of the administrative district, on the territory of which the Company is located. The Company covers expenses on transfer and sorting out of the documents in accordance with the requirements set by the archive bodies.

22. SUBSIDIARIES AND DEPENDENT COMPANIES

22.1. The Company may establish subsidiaries and dependent companies with the rights of the legal entities on the territory of the Russian Federation and abroad according to the requirements of the legal acts of the Russian Federation and relevant legal acts of the foreign states, unless otherwise provided by the international treaty of the Russian Federation.

22.2. A subsidiary is the company, in which a ~~parent e~~Company due to the predominant participation in its charter capital or pursuant to the agreement made between them or otherwise is entitled to determine the decisions which are taken by such company.

22.3. A subsidiary is not liable for the debts of the ~~Cparent~~ company. The ~~parent e~~Company ~~which~~ is entitled to give binding instructions to its subsidiary and if it provided by the agreement with such subsidiary or by the subsidiaries' charter, is solidary liable with the subsidiary for transactions made by the latter in the course of fulfillment of such instructions. ~~The parent company is entitled to give binding instructions to a subsidiary only if such right is provided by the agreement with such a subsidiary or by the charter of the subsidiary company.~~

In case of insolvency of a subsidiary caused due to the fault of the ~~parent e~~Company, the latter takes joint liability for debts of the subsidiary. Insolvency of a subsidiary is deemed to be caused due to the fault of the parent only if the ~~parent e~~Company used the opportunity and (or) right available to it to determine decisions of the subsidiary for the actions, being aware beforehand that taking such an action would result in the subsidiary's insolvency.

Shareholders of a subsidiary are entitled to request compensation of damages by the parent company caused due to the fault by the parent company to the subsidiary. Damages are deemed to be caused due to the fault of the parent only if the parent company used the opportunity and (or) right available to it to determine decisions of the subsidiary for the actions, and being aware beforehand that taking such an action would result in damages to the subsidiary.

22.4. A company is recognized as dependent if another (dominant) Company owns over 20% (twenty) of the voting shares of the first company.

23. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY

23.1. The Company can establish branches and open representative offices on the territory of the Russian Federation and abroad according to the requirements provided by the legal acts of the Russian Federation and relevant legal acts of the foreign states, unless otherwise provided by the international treaty of the Russian Federation.

23.2. Branches and representative offices are not legal entities and shall act on the basis of the Regulations adopted by the Company. Branches and representative offices of the Company shall receive from the Company ~~that created them~~ property which is booked on their separate balance sheets and on the balance sheet of the Company.

Heads of the branches and representative offices are appointed by the Company and act on under the power of attorney which is granted by the Company.

23.3. Branches and representative offices operate on behalf of the Company ~~that established them~~. The Company is liable for activity of its branches and representative offices.

24. EMPLOYMENT RELATIONS

23.1. Employment relationships, including issues on hiring and firing, setting of the work and rest schedules, salaries' payment terms and conditions, guarantees and compensations in the Company are governed by the current labor law of the Russian Federation, individual employment agreements (contracts) and internal documents (local acts) of the Company.

23.2. Terms and conditions of the individual employment agreements cannot be worse than employment conditions provided by the legal acts of the Russian Federation.

25. REORGANIZATION AND LIQUIDATION OF THE COMPANY

25.1. Reorganization of the Company (through merger, acquisition, demerger, split off or transformation) is subject to the decision of the General meeting of shareholders according to the procedure provided by the legal acts of the Russian Federation. State registration of the newly created companies resulted in reorganization and procedure for making an entry in the unified record of the legal entities on termination of the reorganized companies are established by the legal acts of the Russian Federation.

When entry on start of reorganization process is made in the unified record of the legal entities the Company being in the process of reorganization shall twice at the interval once per month publish in the mass media used for publication of information on state registration of legal entities a notification on its reorganization subject to the requirements set forth by the Law. In case of the Company's reorganization, creditors of the Company are entitled to receive guarantees provided by the Civil Code of the Russian Federation and other applicable legal acts.

25.2. Liquidation of the Company is subject to the decision of the General meeting of shareholders or to the court decision in cases provided by the legal acts of the Russian Federation.

25.3. Liquidation of the Company is made by the liquidation commission elected by the General meeting of shareholders or appointed by court in cooperation with the authority performing function of the state registration of the legal entities.

25.4. From the moment of appointment of the liquidation it acquires all powers and authority on the management the Company. The liquidation commission represents the Company in court. The liquidation commission shall publish information on its liquidation and on the procedure and terms for making claims by the creditors in a mess media used for publishing information on state registration of the legal entities.

25.5. The procedure and terms of the liquidation of the Company are determined by the decision of the General meeting of shareholders or by a court decision. The time period within which the creditors may file claims after the notification of liquidation is prescribed by the legal acts of the Russian Federation.

25.6. The liquidation commission evaluates the Company's property, identifies its debtors and creditors and performs settlements with them, takes measures on payment the Company's debts before the third parties and notifies the creditors in a written form of liquidation of the Company. If at the time when a decision on liquidation the Company is made the Company has no liabilities to creditors, the Company's property shall be distributed among its shareholders according to the requirements of the legal acts of the Russian Federation.

After expiration of period set for creditors for making their claims the liquidation commission prepares an interim liquidation balance sheet containing information on the composition of Company's property under liquidation, a list of claims filed by the creditors and results on the examination of such claims. An interim liquidation balance sheet shall be approved by the General meeting of shareholders or the body that took a decision on liquidation of the Company in cooperation with the authority performing functions of the state registration of the legal entities. If available funds are not sufficient to discharge the creditors' claims, the liquidation

commission shall arrange public sale (auction) of the Company's property according to the procedure established for execution of judgment.

After settlements with the creditors the liquidation commission prepares a liquidation balance sheet for its approval by the General meeting of shareholders or the body that took a decision on liquidation of the Company in cooperation with the authority performing functions of the state registration of the legal entities.

25.7. The balance of the Company's property remained after settlements with the budget, payment of salaries and remunerations to the Company's employees, discharging claims with the creditors and holders of the Company's bonds shall be distributed among the shareholders proportionally to the number of shares owned by them. Property contributed to the Company by its shareholders as payment for their shares shall be returned in kind without remuneration.

25.8. The liquidation commission is liable for damages caused to the Company, its shareholders and third parties according to the Civil Code of the Russian Federation.

25.9. Liquidation of the Company is deemed to be completed and the Company liquidated from the moment when an entry on the termination of the Company's activity is made in the unified record of the legal entities.