

**APPROVED**

Resolution of the annual General Shareholders Meeting  
JSC Gazprom  
dated June 26, 2015, Minutes No. 1  
as amended by  
Resolution of the annual General Shareholders Meeting  
PJSC Gazprom  
dated June 30, 2016, Minutes No. 1  
Resolution of the annual General Shareholders Meeting  
PJSC Gazprom  
dated June 30, 2017, Minutes No. 1

**ARTICLES OF ASSOCIATION  
OF GAZPROM PUBLIC JOINT STOCK COMPANY**

**CHAPTER I**

**General Provisions. The Company's Legal Status**

**Article 1. General Provisions**

**1.1.** Gazprom Joint Stock Company (hereinafter the Company) is a public joint stock company.

The Company, jointly with its subsidiaries (hereinafter the subsidiaries) involved in ensuring the efficient operation and development of the Unified Gas Supply System and in reliable gas supply to consumers, operates as a single entity.

**1.2.** The Company's founder is the Government of the Russian Federation.

**1.3.** The Company was established pursuant to the Russian Federation Presidential Decree No. 1333 of November 5, 1992, On Transformation of State Gas Concern Gazprom into Russian Joint Stock Company Gazprom, and the Russian Federation Council of Ministers Resolution No. 138 of February 17, 1993, On Establishment of Russian Joint Stock Company Gazprom.

**1.4.** The Company's legal status, rights and obligations of its shareholders are defined in these Articles of Association in accordance with the Civil Code of the Russian Federation, Federal Joint Stock Companies Law, and Federal Law on Gas Supply in the Russian Federation.

Particular features of the Company's legal status as the Company established at the time of going private of the state-owned enterprise, with the state owning over 25% of its shares, are defined by the federal law on privatization of federal and municipal enterprises.

**1.5.** The Company shall exist indefinitely.

**Article 2. Company's Corporate Name and Location**

**2.1.** The Company's full corporate name in Russian shall be: Публичное акционерное общество «Газпром».

The Company's abbreviated corporate name in Russian shall be: ПАО «Газпром».

The abbreviated corporate name in English shall be: PJSC GAZPROM.

**2.2.** The Company shall be located in the city of Moscow, Russian Federation.

**2.3.** The Company shall have a round seal, stamps and letterheads with its name, its own emblem as well as trademarks and other identification means registered in the established manner.

**Article 3. Company's Goals, Objectives and Subject Matter**

**3.1.** The Company shall be a corporate for-profit organization, the principal goal of which shall be to arrange for efficient work and to generate profit in/from supply of gas, gas condensate, oil and their refined products to domestic and foreign consumers under direct

contracts as well as in/from gas export from the Russian Federation under multi-national and inter-governmental treaties.

The Company shall:

- pursue the single scientific, technical and investment policy in the Unified Gas Supply System reconstruction and development;
- build and fund high-pressure gas pipeline branches for the countryside gasification;
- control over the Unified Gas Supply System operations;
- develop current and long-term forecasts, target scientific, technical, economic, social and other entity development programs;
- purchase licenses for subsoil exploration and use in the Russian Federation, on its continental shelf and within the exclusive economic area of the Russian Federation, as well as abroad;
- provide any companies operating in the Russian Federation with a non-discriminatory access to free capacities of the gas transportation and distribution networks belonging to the Company, in the manner established by the Government of the Russian Federation;
- enhance the Unified Gas Supply System management, the economic forms and methods in this field;
- develop and hold environmental efforts, efforts aimed at the protection of the aboriginal habitat and traditional lifestyle of small ethnoses as well as the sustainable use of energy efficient and environment friendly technologies and power saving equipment in field development, production, transportation and processing of hydrocarbon raw materials and carrying out any other production and business activities; and
- protect the Company's rights and legitimate interests; provide legal assistance to its subsidiaries.

**3.2.** The Company's core lines of business shall be:

- comprehensive development of the gas supply system, with the fullest possible integration of economic and production opportunities to produce gas, oil, gas condensate, to manufacture processed products thereof and other products, at the lowest cost;
- carrying out an investment business in accordance with the law, including own securities (including shares, bonds and derivatives) issue, securities purchase and sales, investment services provision, creation of investment institutions to secure interests of the Company and its subsidiaries;
- field design and development; construction of wells, gas pipelines and other facilities of the gas supply system, as well as social facilities;
- management of the gas supply system; ensuring reliable and safe gas facility operations according to the applicable standards and rules;
- concentration of scientific, technical and production potential on development and implementation of new, state-of-the-art types of equipment, technologies and materials;
- fulfillment of prospecting and evaluation, exploration, development of gas, gas condensate, oil and oil/gas condensate fields, with the integrated development of gas, gas condensate and oil resources and the application of advanced field exploration, prospecting and development methods and technologies of extracting the valuable components contained therein, in compliance with the established requirements to the subsoil sustainable use and conservation and the environment enhancement;
- creation of a profitable facility for offshore production of gas, gas condensate and oil, with the involvement of conversion enterprises and fleet; use of the sea bottom for construction, operation and maintenance of the structures required for development of continental shelf oil and gas fields;
- development and operation of gas transportation systems and underground gas storages;
- design and expert review of field development projects, drilling of wells, construction of new facilities, expansion, reconstruction and refurbishment of the existing facilities, arranging for completed facility commissioning in the established manner;
- production of natural gas, condensate, oil; natural gas, condensate and oil pipeline transportation services; natural gas storage;

- supply/sales of natural gas, condensate, oil;
- participation in gasification, to meet the single technological requirements in the gas supply to consumers;
- control over subsidiary compliance with the Unified Gas Supply System facility construction, reconstruction and operation standards and rules;
- participation in addressing issues as to the manufacturing of new, gas-consuming equipment; sending recommendations to phase out non-economical gas-consuming equipment to enterprises and companies;
- contracting for and export of gas, condensate, oil and processed products thereof under international treaties and direct contracts with foreign buyers, according to the established foreign economic activity procedures;
- entering into export and import transactions for goods, scientific and technical services; development of new forms of mutually advantageous foreign economic relations, trade, economic and scientific/technical cooperation with foreign firms;
- development of the social and labor sphere and improvement of its resource base; arrangement for on-site supply and trade;
- creation of occupational safety conditions, development and approval of occupational health rules, standards and standard instructions in the established manner, introduction of new accident, fire, open gas/oil fountain prevention means and methods;
- development of the continuous staff training and further training system, prospective planning of the labor demand, scientific and methodical support to HR;
- arrangement for and holding, together with the governmental authorities, of mobilization training and civil defense efforts; and
- securing of the Company's facilities and employees, ensuring its economic security.

**3.3.** The Company shall carry out foreign economic activities in the established manner, namely:

- carry out export and import transactions;
- participate in design, construction and operation of gas industry facilities abroad, on the contractual basis;
- carry out scientific and technical cooperation with foreign countries, for efficient and dynamic development of the national gas industry;
- engage foreign companies and firms in the construction of gas industry facilities, both in the Russian Federation and abroad;
- create joint ventures with foreign partners in the Russian Federation and abroad in the established manner, engage foreign firms in provision of services of entering into and execution of foreign economic transactions; set up technical and technical & commercial centers (offices), representative offices, repairs and service companies, bases and warehouses abroad; and
- use the credit of Russian and foreign banks and the commercial credit in foreign currency, as well as purchase currency in the manner provided for by law.

**3.4.** The Company shall also be entitled to carry out any other lines of business not prohibited by the federal laws.

#### **Article 4. Company's Legal Status**

**4.1.** The Company is a legal entity, has civil rights and obligations required for carrying out any lines of business not prohibited by the federal laws.

The Company may pursue certain lines of business, as listed in the federal laws, in virtue of a special permit (license) only.

**4.2.** The Company owns separate property accounted for on its own Balance Sheet (the Company's Balance Sheet).

The Company owns the property transferred to it as contributions to the share capital by its shareholders, in particular, the Russian Federation, the property obtained as a result of its business activities, and the property purchased otherwise, as permitted by law.

The Company also owns funds generated by it from the sales of the securities owned by the Company.

**4.3.** The Company may acquire and exercise civil rights and incur civil obligations, sue and be sued in a court of law on its own behalf.

To settle economic disputes and to protect its rights and interests, the Company shall be free to apply to arbitration courts, in particular, those administered by standing arbitration institutions both in the Russian Federation and abroad.

**4.4.** The Company shall be entitled to participate in setting up other companies in the Russian Federation and abroad, purchase stakes (shares) in their share capitals, buildings, structures, land, the rights to use mineral resources, securities, as well as any other assets that can be the property according to the law, in the established manner. The Company may obtain subsoil use licenses and licenses for carrying out any other licensable lines of business, in the established manner.

**4.5.** To raise additional funds, the Company shall be entitled to issue securities of different types, the circulation of which is permitted in accordance with the federal laws and international treaties of the Russian Federation, including registered shares, bonds and any other securities, by independently defining the terms and conditions of their issue and placement, according to the Russian law and these Articles of Association.

**4.6.** The Company shall independently plan its business, proceeding from the demand for manufactured products. For settlements among the companies making part of the Unified Gas Supply System, the Company shall determine the domestic settlement prices for gas and the domestic settlement tariffs for gas transportation services, as well as the settlement procedure for supplies of gas and other products and for provision of gas transportation services.

**4.7.** The Company shall manage gas flows, flexibly plan gas production and supplies by quarters and by months, proceeding from the actual demand of regions and individual consumers and taking into account the production capacity of the Company's and its subsidiaries' facilities.

The Company shall ensure constant supervisory control over the Unified Gas Supply System facility operations, as well as operations of the gas supply facilities connected to the System in their connection points, centralized technological and supervisory control over connected facilities, no matter who owns them. The Company shall give binding gas supply and gas consumption instructions to gas suppliers and consumers, according to the applicable laws and regulations in this field.

**4.8.** The Company shall participate in operations of the interested governmental authorities for drafting subsoil use and gas industry laws, shall develop and submit the related projects for approval in the established manner.

**4.9.** As concerns the gas, gas condensate and liquefied gas production, processing, transportation and storage facilities as well as the use of gas as motor fuel for vehicles, the Company shall:

- participate in elaboration of construction standards and rules approved in the established manner;
- participate in development and submit for approval in the established manner the federal and industry technological design standards as well as the industry construction standards; and
- participate in development and submit for approval in the established manner the safe operation rules for the above facilities.

**4.10.** The Company's representatives shall, by resolution of the appropriate governmental authorities, be entitled to take part in negotiations on entering into multi-national and inter-governmental agreements for the Company's gas and condensate (oil) supplies.

**4.11.** The relations between the Company and governmental agencies and municipal authorities of the territories where the Company carries out its business shall be governed by contracts and agreements, taking into account the interests of the Company and the population of the above territories.

**4.12.** The Company shall be entitled to open bank accounts in the Russian Federation and abroad in the established manner.

**4.13.** The Company shall be liable for its obligations with all of its property.

The Company shall not be liable for obligations of the Russian Federation and its other shareholders.

The Company's shareholders, including the Russian Federation, shall not be liable for the Company's obligations and shall bear the risk of losses related to its operations to the extent of the value of the shares held by them, unless envisaged otherwise in Article 3.3, Federal Joint Stock Companies Law, and other federal laws.

**4.14.** The Company may create its branches and representative offices operating pursuant to the regulations on them, both in the Russian Federation and abroad, in the established manner. Branches shall be established and representative offices shall be opened by resolution of the Company's Board of Directors.

Branches and representative offices are not legal entities; their heads act on behalf of the Company under Powers of Attorney.

The Company shall also be entitled, according to the applicable law, to participate in the capital of other joint stock and business companies and partnerships, in particular, to have subsidiaries in the Russian Federation and abroad.

**4.15.** The subsidiaries are legal entities.

The Company shall not be liable for obligations of the subsidiaries, and they shall not be liable for the Company's obligations, except for the cases provided for by law.

**4.16.** The Company shall be free to establish additional vacations, business half-days and other social benefits for its employees. The Company may determine a portion of the net profit to be allocated for distribution among the Company's employees, including in the cases of their retirement, in particular, as a financial incentive, and may also transfer shares in the Company, out of those accounted for on its Balance Sheet, to the Company's employees, either free of charge or at a discount.

## CHAPTER II

### Company's Share Capital.

#### Shares, Bonds, and Other Securities of the Company.

#### Company's Net Assets

### Article 5. Company's Share Capital

**5.1.** The Company's share capital shall be RUB 118,367,564,500. The Company's share capital shall be divided into 23,673,512,900 ordinary registered shares with the par value of RUB 5 each, purchased by shareholders.

**5.2.** The share capital shall be made in accordance with the law, out of the contribution of the Company's founder, by transferring a 100% stake in the share capital of the Company's enterprises, the controlling stakes (at least 51%) in subsidiary joint stock companies established according to Appendix 2 to the Russian Federation Presidential Decree No. 1333 of November 5, 1992, as well as the participatory interest (stakes) held by Gazprom State Gas Concern in assets of Russian and foreign enterprises, associations and companies and any other assets of the said Concern, which can be privatized according to the law.

Shares of the first issue were placed pursuant to Section 4 of the Russian Federation Presidential Decree No. 1333 of November 5, 1992, and Sections 4 and 5 of the Russian Federation Presidential Order No. 58-rp of January 26, 1993.

**5.3.** The Company's share capital may be, if necessary:

- increased by increasing the share par value or placing additional shares; Reduced by reducing the share par value or quantity, in particular, by purchase
- and repayment of some of the Company's placed shares, in accordance with these Articles of Association.

The resolution to increase the share capital by increasing the share par value shall be adopted by the General Shareholders Meeting.

Additional shares may only be placed by the Company to the extent of the quantity of declared shares as specified in the Company's Articles of Association.

The resolution to increase the Company's share capital by placing additional shares shall be adopted by the Company's Board of Directors, unless the Federal Joint Stock Companies Law refers this issue to the General Shareholders Meeting competence. Such resolution shall be adopted by the Board of Directors, unanimously by all of its members, without counting votes of the Company's Board of Directors former members.

Increase in the Company's share capital by issuing additional shares shall be carried out in compliance with the requirements of Article 28, Federal Joint Stock Companies Law.

The resolution to reduce the share capital and to make the appropriate amendments to the Company's Articles of Association shall be adopted by the General Shareholders Meeting in compliance with the requirements of Articles 29 and 30, Federal Joint Stock Companies Law.

## **Article 6. Shares, Bonds and Other Securities of the Company**

**6.1.** All of the issued and placed shares in the Company shall be ordinary registered uncertified shares of the same par value.

The value of shares shall be denominated in rubles, irrespective of the form and method of payment for them.

**6.2.** Where one share is held by several persons, all of them shall be deemed one shareholder with respect to the Company and one of them or their joint representative shall exercise their rights. Joint holders of a share shall be jointly liable for the shareholders' obligations.

**6.3.** A shareholder's rights towards the Company shall be determined by the category and type of shares held by such shareholder.

**6.4.** Holders of ordinary shares in the Company shall be entitled to:

a) participate in the General Shareholders Meeting of the Company with the right to vote on all issues referred to the General Meeting competence, according to the Company's Articles of Association;

b) receive dividends; and

c) receive some the Company's assets in case of its liquidation.

The Company's shareholders shall also have other rights stipulated in the Russian Federation laws.

Conversion of ordinary shares into preferred shares, bonds and other securities shall be prohibited.

Each of the Company's ordinary shares shall provide its holder with the equal scope of rights.

The Company's shareholders may dispose of their shares without any consent of other shareholders and the Company.

The Company's shareholder rights shall be exercised in accordance with the law, these Articles of Association and resolutions of the Company's management bodies adopted within their competence envisaged in these Articles of Association.

**6.5.** Shareholders may exercise their rights either directly or through representatives, in whose capacity any third parties, including other shareholders as well as the Company's officials, may act.

Shareholders shall be free to appoint their representatives in the manner envisaged in the Civil Code of the Russian Federation and the Federal Joint Stock Companies Law.

**6.6.** The Company shall be entitled to issue and place bonds and other securities provided for by the securities laws and regulations of the Russian Federation.

Placement of bonds and other securities shall be carried out by resolution of the Company's Board of Directors, except for the cases of their placement by resolution of the General Shareholders Meeting according to Article 39, Federal Joint Stock Companies Law.

**6.7.** The Company shall provide purchasers of its securities with comprehensive information on the conditions of issue, placement and circulation of the Company's securities, as stipulated in these Articles of Association and other documents.

### **Article 7. Company's Provisions and Net Assets**

**7.1.** The Company shall create a surplus fund of 7.3% of the share capital, by statutory annual allocations of 7.3 percent of the Company's net profit until the above-mentioned amount is reached.

The surplus fund shall only be used to cover the Company's losses and to repay bonds and to redeem the Company's shares, in the absence of any other funds.

**7.2.** The Company shall create a special share ownership fund of the Company's employees out of its net profit. This fund may only be expended to purchase the Company's shares sold by shareholders, for their subsequent placement among the Company's employees.

In case of any paid sales of the shares purchased out of the share ownership fund of the Company's employees to the Company's employees, the proceeds shall be channeled to the said fund.

The Regulations on the Special Share Ownership Fund of the Company's employees shall be approved by the Board of Directors.

**7.3.** To secure the Company's obligations, its production and social development, the appropriate special purpose provisions shall be created out of the Company's profit and other proceeds.

**7.4.** The Company's net assets shall be valued based on the accounting data, in the legally established manner.

## **CHAPTER III**

### **Company's Placement of Shares and Other Securities. Purchase and Repurchase of Shares**

#### **Article 8. Company's Placement of Shares and Other Securities**

**8.1.** The Company shall place shares and other securities in accordance with the requirements of the Federal Joint Stock Companies Law, the Federal Securities Market Law and other laws.

**8.2.** The Company shall be free to place additional shares and other securities by subscription and other methods envisaged in the Federal Joint Stock Companies Law.

**8.3.** The Company shall be entitled to place the Company's shares and convertible securities by resolution of the Company's Board of Directors, unless the Federal Joint Stock Companies Law refers the right of making such resolutions to the General Shareholders Meeting competence.

The resolutions to place shares and convertible securities, which are referred to the General Shareholders Meeting competence according to Article 39, Federal Joint Stock Companies Law, shall be adopted by a three fourths majority of votes of the shareholders – holders of voting shares, which take part in the General Shareholders Meeting.

**8.4.** The Company's additional shares placed by subscription shall be paid at the price that is determined, or the determination procedure for which is established, by the Company's Board of Directors in accordance with the Federal Joint Stock Companies Law, but not less than at their par value. The placement price for any additional shares placed by subscription or its determination procedure shall be contained in the resolution to increase the Company's share capital by placing additional shares, unless this resolution establishes that such price or its determination procedure is to be established by the Company's Board of Directors on or before the commencement of the additional share placement.

**8.5.** The shareholders' pre-emptive right to purchase shares of new issues shall be exercised in accordance with Articles 40 and 41, Federal Joint Stock Companies Law.

## Article 9. Company's Purchase of Placed Shares

**9.1.** The Company shall be entitled to purchase its placed shares by resolution of the General Shareholders Meeting as to reduction in the Company's share capital by purchasing some placed shares to reduce their total quantity. The resolution to reduce the share capital by this method shall not be adopted if the par value of the outstanding shares becomes less than the minimum share capital amount envisaged in the Federal Joint Stock Companies Law.

The shares purchased pursuant to the General Shareholders Meeting resolution to reduce the share capital shall be repaid at their purchase.

**9.2.** The Company shall be free to purchase its placed shares by resolution of the Board of Directors. Such resolution may be adopted if the par value of the Company's outstanding shares is not less than 90% of the Company's share capital.

Purchased shares shall not provide any voting right; they shall not be counted in voting; no dividends shall accrue on them. Such shares shall be sold at a price not lower than their fair market value within one year from their purchase date. Otherwise, the General Shareholders Meeting shall resolve to reduce the Company's share capital by repaying these shares.

**9.3.** The resolution to purchase shares shall define the categories (types) of shares to be purchased, the number of shares of each category (type) to be purchased, the acquisition price, the form of payment and the due date, as well as the period, during which applications from shareholders for sales to the Company of their shares or revocations of such applications are to be received.

The shares shall be paid for at their purchase in cash or other assets of the Company. The period during which applications from shareholders for sales to the Company of their shares or revocations of such applications cannot be less than 30 days, and the period for the Company's payment for the shares purchased by the Company shall not exceed 15 days from the deadline envisaged for receipt or revocation of these applications.

The price for the Company's acquisition of shares shall be determined in accordance with Article 77, Federal Joint Stock Companies Law.

**9.4.** Each shareholder – holder of shares of certain categories (types), the resolution to purchase which has been made, shall be entitled to sell the said shares, and the Company shall be obliged to purchase them. If the total number of shares, for the sales of which to the Company the applications have been received, exceeds the number of shares the Company is entitled to purchase, taking into account the limitations established in the Federal Joint Stock Companies Law, the shares shall be purchased from shareholders pro rata the requested quantities.

**9.5.** At least 20 days prior to the start of the period, during which the applications from the shareholders for sales of their stakes or revocations of such applications are to be received, the Company shall be obliged to notify shareholders – holders of shares of certain categories (types) to be purchased as resolved. The notice shall contain the information specified in Paragraph 1, Section 9.3, of these Articles of Association. The notice shall be communicated to the shareholders – holders of shares of certain categories (types), which have been resolved to be purchased, in the manner established for communicating about the General Shareholders Meeting.

**9.6.** The Company's Board of Directors shall, within five days from the expiry of the period, during which the applications from shareholders for sales of their shares or revocations of such applications are to be received, approve of the report on the results of submitting by shareholders of their applications for sales of their shares, which should contain information on the number of shares, with respect to which the applications for their sales have been received, and the quantity the Company may purchase.

**9.7.** The relations concerning the Company's purchase of its treasury shares and exercising by shareholders of their right to sell their shares shall be governed by the rules established in Article 76, Federal Joint Stock Companies Law.



## Article 10. Consolidation and Fractionation of Shares

**10.1.** Consolidation of placed shares, which results in converting two or more of the Company's shares into one new share of the same category (type), may be carried out by resolution of the General Shareholders Meeting. In this case, the appropriate changes to the par value and the quantity of placed and declared shares in the Company, which belong to the respective category (type), shall be made to the Articles of Association.

If a shareholder cannot purchase an integer number of shares in case of the shares consolidation, parts of shares (fractional shares) shall be formed.

A fractional share shall provide its holder with the rights conferred by a share of the respective category (type), to the extent of the portion in the integer share.

**10.2.** By resolution of the General Shareholders Meeting, the Company shall be free to split the Company's placed shares, as a result of which one share in the Company is converted into two or more shares of the same category (type) in the Company. In this case, the appropriate amendments shall be made to the Company's Articles of Association concerning the par value and the quantity of placed and declared shares in the Company of the appropriate category (type).

## Article 11. Company's Repurchase of Shares at the Shareholders' Request

**11.1.** Shareholders – holders of voting shares shall be free to require that the Company repurchases all or some of shares held by them in the following cases:

- Adoption by the General Shareholders Meeting of the resolution to reorganize the Company or to approve entering into, or to post factum approve, a major transaction for the property valued at over 50% of the Company's assets book value determined based on its Accounts (Financial Statements) as of the most recent reporting date (including the transaction being a related party one at the same time);

- Making amendments and supplements to the Company's Articles of Association (adoption by the General Shareholders Meeting of the resolution that is the grounds to make amendments and supplements to the Company's Articles of Association) or approval of a new version of the Company's Articles of Association, which limit shareholders rights; and

- Adoption by the General Shareholders Meeting of the resolution to terminate the public company status and apply for the Company's shares and/or the Company's convertible securities delisting.

**11.2.** The number of voting shares of each category (type), which shareholders are entitled to propose to the Company for repurchase, shall not exceed the number of shares held by them in the appropriate category (type), as derived from data contained in the list of persons entitled to participate in the General Shareholders Meeting with the agenda comprising the items, voting on which has resulted in the right to claim the Company's repurchase of these shares.

**11.3.** The list of shareholders entitled to claim the Company's repurchase of their shares shall be drafted based on data contained in the list of persons entitled to participate in the General Shareholders Meeting with the agenda comprising the items, voting on which has resulted in the requirement to repurchase shares.

**11.4.** The Company shall repurchase shares at the price determined by the Company's Board of Directors, but not lower than the fair market value to be determined by an appraiser without regard for its change as a result of the Company's actions that have entailed the right to request the valuation and repurchase of shares.

**11.5.** The Company shall be obliged to notify the shareholders of their right to require the Company's repurchase of their shares, the price and procedure for repurchase, in particular, the address(es), to which the requests for the repurchase of shares of the shareholders registered in the Company's Shareholders Register can be sent.

**11.6.** The shareholders' requests for repurchase of shares shall be submitted or revoked within 45 days from the date of making by the General Shareholders Meeting of the relevant resolution. The revocation of the request for repurchase of shares shall only be allowed with

respect to all of the Company's shares submitted for repurchase. The request for repurchase of the shareholder's shares or its revocation shall be deemed presented to the Company on the date when it is received by the Company's registrar from the shareholder registered in the Company's shareholders register, or on the date when the Company's registrar receives the notice containing the will of the shareholder from the nominal holder of shares registered in the Company's Shareholders Register.

**11.7.** Upon expiry of the period specified in Section 11.6 of these Articles of Association, the Company shall repurchase shares from the shareholders included into the list of persons entitled to claim repurchase by the Company of their shares, within 30 days. If these share repurchase requests are made by the persons not included into the said list, the Company shall, within five business days from expiry of the period specified in Section 11.6 hereof, send the refusal to satisfy such requests.

The Company's Board of Directors shall, within 50 days from the date when the relevant resolution is made by the General Shareholders Meeting of the Company, approve of the report on the results of shareholders' requesting for repurchase of their shares, which should contain information on the number of shares, for which the repurchase claims have been made, and the quantity the Company may repurchase thereof. The information contained in the extract from such report shall be sent to nominal shareholders registered in the Company's Shareholders Register, in accordance with the provisions of Russian Federation securities law on making available the information and materials to the persons exercising rights to securities.

**11.8.** The sums of money shall be paid in connection with the Company's repurchase of shares to the persons registered in the Company's Shareholders Register, by remittance to the bank accounts, to the details available to the Company's registrar. The Company's duty specified in this Section shall be deemed fulfilled from the date the money is credited to the lending institution where the bank account of the person entitled to receive such payments is opened or, if such person is a lending institution, to its account. If the bank account details are not available or the money cannot be credited to the bank account due to circumstances beyond the Company's control, the respective sums of money for the shares repurchased by the Company shall be remitted to the notary public's deposit at the Company's registered address. The Company's Registrar shall make entries on transfer of the rights to the repurchased shares to the Company, except for transfer of the rights to the shares, the rights to which are accounted for by nominal holders, pursuant to the report on the results of the shareholders' requesting for repurchase of their shares, as approved of by the Company's Board of Directors, and the documents evidencing the Company's performance of the duty to pay money to shareholders, without instructions of the person registered in the Company's Shareholders Register.

**11.9.** Payment of money in connection with the Company's repurchase of shares to the persons not registered in the Company's Shareholders Register shall be made by remittance to the bank account of the nominal shareholder registered in the Company's Shareholders Register. The Company's duty specified in this Section shall be deemed fulfilled from the date when the money is credited to the lending institution where the bank account of such nominal holder is opened and, if the nominal holder is a lending institution, to its account.

## **CHAPTER IV**

### **Company's Dividends**

#### **Article 12. Dividends**

**12.1.** The Company shall be entitled to pay dividends for the first quarter, half-year, nine months of the reporting year and/or the entire reporting year.

**12.2.** The resolution to pay dividends shall be adopted by the General Shareholders Meeting. This resolution shall define the amount of dividends on shares of each category (type), the form of their payment, the date, as of which the persons entitled to receive dividends are

determined. In this case, the resolution to establish the date, as of which the persons entitled to receive dividends are determined, shall be adopted at the Board of Directors proposal only.

The amount of dividends shall not exceed the amount recommended by the Board of Directors. The General Meeting shall be free to resolve not to pay dividends.

**12.3.** The Company shall not be entitled to resolve to pay (to declare) dividends on shares:

- until the entire share capital of the Company has been paid up in full;
- until all the shares to be repurchased according to Article 11 hereof have been repurchased;
- if, as of the date when the resolution is adopted, the Company meets, or will meet as a result of the dividend payment, insolvency (bankruptcy) criteria in accordance with the Russian Federation insolvency (bankruptcy) laws;
- if, as of the date when the resolution is adopted, the value of the Company's net assets is, or will become as a result of making the resolution, less than its share capital and the surplus and the excess of the placed preferred shares liquidation value over the par value defined in the Articles of Association; and
- in other cases envisaged in the federal laws.

**12.4.** The Company shall be obliged to pay dividends declared on shares of each category (type), unless otherwise envisaged in the Federal Joint Stock Companies Law.

**12.5.** Dividends shall be paid out of the Company's net profit. No dividends shall be paid on the Company's shares shown on its Balance Sheet.

**12.6.** The date, as of which, according to the resolution to pay (declare) dividends, the persons entitled to receive the same are determined, shall not be earlier than 10 days and later than 20 days from the date when the resolution to pay (declare) dividends is made.

**12.7.** The period of dividend payment to a nominal holder and a trust manager, who is a professional securities market participant, which are registered in the Shareholders' Register, shall not exceed 10 business days, and to other persons registered in the Shareholders' Register, 25 business days from the date, as of which the persons entitled to receive dividends are determined.

**12.8.** Dividends shall be paid to the persons, who are holders of shares of the appropriate category (type), or the persons exercising the rights on these shares according to the federal laws, as of the close of business on the date when the persons entitled to receive dividends are determined in accordance with the resolution to pay dividends.

Payment of dividends in the monetary form shall be carried out by the Company by clearing or, at its order, by the Registrar maintaining the Shareholders' Register or by a lending institution.

Payment of dividends in the monetary form to individuals, whose rights to shares are recorded in the Company's Shareholders' Register, shall be carried out by remittance of money to their bank accounts, the details of which are available to the Company's registrar or, in the absence of the bank account information, by postal order, and to other persons, whose rights to shares are recorded in the Company's Shareholders' Register, by remittance of money to their bank accounts. The Company's duty to pay dividends to the above persons shall be deemed discharged from the date the postal order is accepted by the federal postal service or the date the money is received at the lending institution, with which the person entitled to such dividends has opened a bank account, and if such person is a lending institution, to its account.

The persons entitled to dividends, whose rights to shares are recorded at a nominal shareholder, shall receive dividends in the monetary form in the manner established in the Russian Federation securities laws. The nominal holder, to whom dividends have been remitted and who has defaulted on his/her obligation to transfer the same, as established in the Russian Federation securities laws, for reasons beyond his/her control, shall be obliged to repay these dividends to the Company within 10 days from the expiry of one month from the end of the dividend payment period.

**12.9.** The Company shall not be free to pay dividends declared on shares:

- if, as of the date when the resolution is adopted, the Company meets, or will meet as a result of the dividend payment, insolvency (bankruptcy) criteria in accordance with the Russian Federation insolvency (bankruptcy) laws;
- if, as of the date when the resolution is adopted, the value of the Company's net assets is, or will become as a result of making the resolution, less than its share capital and the surplus and the excess of the placed preferred shares liquidation value over the par value defined in the Articles of Association; and
- in other cases envisaged in the federal laws.

Upon the end of the circumstances listed in this Section, the Company shall be obliged to pay the declared dividends to shareholders.

**12.10.** The person, who has not received the declared dividends due to the fact that the Company or the Registrar lacks any precise and necessary addresses or bank details or in connection with any other lender's delay, shall be free to request for the payment of such dividends (unclaimed dividends) within three years from the dividend payment resolution date.

If the period for making the request for payment of the unclaimed dividends is missed, it shall not be reinstated, unless the person entitled to the dividends has not submitted the request under the duress by force or by threats.

Upon the said period expiry, the declared and unclaimed dividends shall be reinstated as part of the Company's unallocated profit, and the obligation to pay the same shall lapse.

## CHAPTER V

### Company's Shareholders' Register

#### Article 13. Register of the Company's Shareholders

**13.1.** The Company shall make sure the Company's Shareholders Register is maintained and kept according to the Russian Federation applicable law.

**13.2.** The holder of the Company's Shareholders Register shall, at the request of a shareholder or a nominal holder of shares, confirm his/her rights to shares by issuing an extract from the Company's Shareholders Register. The extract from the Company's Shareholders Register is not a security.

## CHAPTER VI

### General Shareholders Meeting

#### Article 14. General Shareholders Meeting

**14.1.** The General Shareholders Meeting shall be the supreme management body of the Company.

The General Shareholders Meeting shall be held at the Company's domicile and may also be held in St. Petersburg. The General Shareholders Meeting venue shall be determined by the Board of Directors, when making decisions on holding the General Shareholders Meeting.

The Company shall be obliged to hold the annual General Shareholders Meeting every year.

The annual General Shareholders Meeting shall be held not earlier than two months and not later than six months from the reporting year end. The annual General Shareholders Meeting shall resolve issues on the election of the Company's Board of Directors, the Company's Internal Audit Commission, on the approval of the Company's Auditor, Annual Reports, the Company's annual accounts (financial statements), as well as the allocation of the Company's profits, including the dividend payment (declaration), and losses for a reporting year.

The annual General Shareholders Meeting may resolve any other issues referred to the Company's General Shareholders Meeting competence.

Any General Shareholders Meetings, other than the annual General Shareholders Meeting, shall be extraordinary.

**14.2.** As concerns the procedure for preparation for, convention and holding of the General Shareholders Meeting, the Company shall be governed by the Federal Joint Stock Companies Law, these Articles of Association and the Company's internal documents.

The Bank of Russia may establish requirements additional to the Federal Joint Stock Companies Law requirements concerning the procedure for preparation for, convention and holding of the General Shareholders Meeting.

## **Article 15. General Shareholders Meeting Competence**

**15.1.** The Company's General Shareholders Meeting competence shall include:

- 1) making amendments and supplements to the Company's Articles of Association or approval of a new version of the Company's Articles of Association;
- 2) reorganization of the Company;
- 3) winding up of the Company, appointment of the liquidation commission and approval of the intermediate and final liquidation Balance Sheets;
- 4) determination of the quantitative composition of the Company's Board of Directors, election of its members and early termination of their powers;
- 5) determination of the quantity, par value, category/type of the declared shares and the rights conferred by these shares;
- 6) increase in the Company's share capital by increasing the par value of shares, as well as by placing additional shares by private placement, and in other cases when making such resolution is referred to the General Meeting competence by the Federal Joint Stock Companies Law;
- 7) reduction in the Company's share capital by reducing the par value of shares, by the Company's purchase of some shares in order to reduce their total quantity, as well as by the repayment of shares purchased or repurchased by the Company;
- 8) election of the Company's Internal Audit Commission members and early termination of their powers;
- 9) approval of the Company's Auditor;
- 9.1) payment (declaration) of dividends based on results of the first quarter, half-year, nine months of a reporting year;
- 10) approval of Annual Reports, the Company's annual accounts (financial statements);
- 10.1) profit allocation (in particular, payment (announcement) of dividends, except for payment (announcement) of dividends for the first quarter, six months, nine months of the reporting year) and the Company's losses for the reporting year;
- 11) determination of the procedure for holding the General Shareholders Meeting;
- 12) fractionation and consolidation of shares;
- 13) resolving to approve entering into, or post factum approval of, transactions in the cases envisaged in Article 83, Federal Joint Stock Companies Law;
- 14) resolving to approve entering into, or post factum approval of, major transactions in the cases envisaged in Article 79, Federal Joint Stock Companies Law;
- 15) the Company's purchase of placed shares in the cases envisaged in the Federal Joint Stock Companies Law;
- 16) resolving to participate in financial and industrial groups, associations and other unions of for-profit entities
- 17) approval of internal documents governing operations of the Company's bodies;
- 17.1) resolving to apply for de-listing of the Company's shares and/or convertible securities; and
- 18) resolving of any other issues envisaged in the Federal Joint Stock Companies Law.

**15.2.** Any issues referred to the General Shareholders Meeting competence shall not be referred to the Company's executive body for resolution.

Any issues referred to the General Shareholders Meeting competence shall not be referred to the Company's Board of Directors for resolution, except for the issues envisaged in the Federal Joint Stock Companies Law.

**15.3.** The General Shareholders Meeting shall have no right to review and resolve on the issues not referred to its competence by the Federal Joint Stock Companies Law.

### **Article 16. General Shareholders Meeting Resolution**

**16.1.** Except as envisaged in the federal laws, the following persons shall have the right to vote at the General Shareholders Meeting on issues put to vote:

- shareholders holding ordinary shares in the Company;
- shareholders holding preferred shares in the Company in the cases envisaged in the Federal Joint Stock Companies Law.

A voting share of the Company shall be an ordinary share or a preferred share that provides its holder with the voting right when an issue put to vote is resolved.

**16.2.** The General Shareholders Meeting resolution on any issue put to vote shall be adopted by a simple majority of votes of the shareholders holding voting shares in the Company, who attend the General Shareholders Meeting, unless the Federal Joint Stock Companies Law envisages otherwise for the resolution adoption.

A separate (independent) resolution only shall be adopted for each issue put to vote.

**16.3.** The resolution on the issues envisaged in Paragraphs 2, 6, 12 to 17, Section 15.1 of these Articles of Association shall be adopted by the General Shareholders Meeting at the Company's Board of Directors proposal only.

**16.4.** The resolution on the issues envisaged in Paragraphs 1 to 3, 5, 14, 15 and 17.1, Section 15.1, of these Articles of Association, shall be adopted by the General Shareholders Meeting by the three fourths majority of votes of the shareholders holding voting shares, who attend the General Shareholders Meeting, unless otherwise envisaged in the Federal Joint Stock Companies Law.

**16.5.** The resolution on the issue specified in Paragraph 17.1, Section 15.1 of these Articles of Association, shall inure if the total number of shares, for which repurchase requests have been made, does not exceed the number of shares the Company can repurchase, taking into account the limitations provided for by the Federal Joint Stock Companies Law.

**16.6.** The procedure for the General Shareholders Meeting adoption of a resolution on the procedure for holding the General Shareholders Meeting shall be established in an internal document approved by the General Shareholders Meeting.

**16.7.** The General Shareholders Meeting shall not be entitled to resolve on the issues not included into a meeting agenda or to change an agenda.

**16.8.** The General Shareholders Meeting resolutions and the composition of the Company's shareholders attending at its making shall be confirmed by the Registrar.

### **Article 17. General Shareholders Meeting in Absentia, by Poll**

**17.1.** A resolution of the General Shareholders Meeting may be adopted without holding a meeting (joint presence of shareholders for discussing its agenda and resolving on the issues put to vote), by poll.

**17.2.** The General Shareholders Meeting shall not be held in absentia, by poll, if its agenda includes the following items:

- election of the Company's Board of Directors,
- election of the Company's Internal Audit Commission,
- approval of the Company's Auditor, and
- approval of Annual Reports, annual accounts (financial statements), including Income Statements of the Company, as well as the allocation of the Company's profits, including the dividend payment (declaration), and losses for a fiscal year.

## **Article 18. General Shareholders Meeting Vote Counting**

**18.1.** Votes at the General Shareholders Meeting shall be counted on the issue put to vote, the right to vote on which is reserved to the shareholders holding ordinary and preferred shares in the Company, with respect to all voting shares jointly, unless the Federal Joint Stock Companies Law establishes otherwise.

## **Article 19. General Shareholders Meeting Resolution Appeal**

**19.1.** A shareholder shall be entitled to appeal to a court of law against a resolution adopted by the General Shareholders Meeting in violation of the Federal Joint Stock Companies Law, other laws and regulations of the Russian Federation, these Articles of Association, if the shareholder has not taken part in the General Shareholders Meeting or has voted against the resolution and such resolution violates his/her rights and/or legitimate interests.

The application for recognizing a resolution of the General Shareholders Meeting as invalid may be submitted to a court of law within three months from the date when the shareholder learns or is to learn about the resolution made and about the circumstances that substantiate its recognition as invalid. Taking into account all the case circumstances, the court of law may uphold the appealed resolution, if the shareholder's vote could not have influenced the voting results, if the violations are minor, and if the resolution does not entail losses for this shareholder.

## **Article 20. Right to Attend the General Shareholders Meeting**

**20.1.** The list of persons entitled to participate in the General Shareholders Meeting shall be drafted according to the Russian Federation securities law concerning drafting the list of persons that exercise rights to securities. The date on which the persons entitled to participate in the General Shareholders Meeting of the Company are determined (recorded) shall not be earlier than 10 days from the date of making a resolution to hold the General Shareholders Meeting of the Company and more than 25 days prior to the General Shareholders Meeting date, and in the case envisaged in Section 3, Article 53, Federal Joint Stock Companies Law, more than 55 days prior to the General Shareholders Meeting.

If the General Shareholders Meeting with the agenda comprising the Company's reorganization is held, the date on which the persons entitled to participate in the meeting are determined (recorded) shall not be more than 35 days prior to the General Shareholders Meeting date.

The information on the date of drafting the list of persons entitled to participate in the General Shareholders Meeting shall be disclosed at least 7 days prior to such date.

**20.2.** The list of persons entitled to participate in the General Shareholders Meeting, except for information on their will, shall be submitted by the Company for examination at the request of the persons included into the list and having at least one percent of votes. The information that helps identify the individuals included into the list, except for their surname, first and patronymic names, shall be provided with consent of these persons only.

**20.3.** For the purpose of drafting the list of persons entitled to attend the General Shareholders Meeting, a nominal shareholder shall provide data on the persons, in whose interests he/she holds the shares as of the list drafting date.

**20.4.** The list of persons entitled to attend the General Shareholders Meeting shall contain the name of each such person, the data required for his/her identification, the data on the quantity and category (type) of the shares, for which he/she has the voting right, the mailing address in the Russian Federation for sending the General Shareholders Meeting notice, voting ballots and voting report.

**20.5.** The list of persons entitled to attend the General Shareholders Meeting shall be provided by the Company for examination at the request of the persons included into the list and holding at least 1% of votes. The data of documents and the mailing address of the individuals included into the list shall only be provided with the consent of such persons.

At the request of any stakeholder, the Company shall be obliged to provide the stakeholder with the extract from the list of persons entitled to attend the General Shareholders Meeting, containing data on such person, or the certificate that such person is not included into the list of persons entitled to attend the General Shareholders Meeting, within three days.

**20.6.** The list of persons entitled to attend the General Shareholders Meeting may only be amended in the case of reinstatement of violated rights of the persons not included into the said list as of the date of its drafting or in the case of correction of the errors made in drafting it.

## **Article 21. Notification of the General Shareholders Meeting**

**21.1.** The General Shareholders Meeting notification shall be carried out at least 30 days prior to its date.

In the cases envisaged in Paragraphs 2 and 8, Article 53, Federal Joint Stock Companies Law, the notice of an extraordinary General Shareholders Meeting shall be made at least 50 days prior to its date.

In the above periods of time, the notice of the General Shareholders Meeting shall be posted on the Company's website, [www.gazprom.ru](http://www.gazprom.ru), in the Internet information and telecommunications network.

The Company shall be entitled to additionally inform shareholders of the General Shareholders Meeting via other mass media (on TV, radio).

**21.2.** The notice of the General Shareholders Meeting shall specify:

- the full corporate name of the Company and the Company's location;
- the General Shareholders Meeting form (a meeting in presentia or in absentia, by poll);
- the date, venue, time of the General Shareholders Meeting and, in the case when filled-in ballots may be sent to the Company, according to Section 3, Article 60, Federal Joint Stock Companies Law, the mailing address, at which the filled-in ballots may be sent, or in the case of the General Shareholders Meeting in absentia, by poll, the voting ballot receipt cut-off date and the mailing address, at which the filled-in ballots are to be sent;
- the date as of which the persons entitled to participate in the General Shareholders Meeting are determined (recorded);
- the General Shareholders Meeting agenda;
- the procedure for studying information (materials) to be provided in preparation for the General Shareholders Meeting, and the address(es), at which they may be studied; and
- the categories (types) of shares, holders of which have rights to vote on all or some items of the General Shareholders Meeting agenda.

**21.3.** The information (documents) to be provided to the persons entitled to attend the General Shareholders Meeting in preparation for the General Shareholders Meeting of the Company shall include: the Annual Report and the Company's Audit Commission opinion on its audit findings, annual Financial Statements (Accounts), the Auditor's Opinion and the Company's Audit Commission Opinion based on the annual Financial Statements audit, information on a candidate(s) to the Company's executive bodies, the Company's Board of Directors, the Company's Audit Commission, the Company's Counting Board, draft amendments and supplements to the Company's Articles of Association or a new draft Articles of Association of the Company, the Company's draft internal documents, the General Shareholders Meeting draft resolutions as envisaged in Article 32.1, Federal Joint Stock Companies Law, the information on the Shareholder Agreements concluded within one year before the General Shareholders Meeting date, the opinion of the Company's Board of Directors on a major transaction, the report on related party transactions made by the Company in the reporting year, as well as any other information (documents) envisaged herein.

The list of additional information (documents) mandatory for provision to the persons entitled to attend the General Shareholders Meeting may be established by the Bank of Russia in preparation to the General Shareholders Meeting.



The information (documents) envisaged in Articles 21.2 and 21.3 of these Articles of Association shall be available to the persons entitled to attend the General Shareholders Meeting for examination at least 20 days prior, and in case of the General Shareholders Meeting with the agenda containing the issue as to the Company's reorganization, at least 30 days prior to the General Shareholders Meeting, for examination in the premises of the Company's executive body and in other localities the addresses of which are indicated in the notice of the General Shareholders Meeting and in the Company's website, [www.gazprom.ru](http://www.gazprom.ru), in the Internet information and telecommunications network.

This information (documents) shall be available to persons participating in the General Shareholders Meetings at the time of its holding.

The Company shall, at the request of the person entitled to attend the General Shareholders Meeting, provide him/her with copies of the said documents. The fee charged by the Company for provision of these copies cannot be greater than the costs of their making.

If the nominal shareholder is registered in the Company's Shareholders Register, the notice of the General Shareholders Meeting and the information (documents) to be provided to persons entitled to attend the General Shareholders Meeting shall be provided in preparation for the General Shareholders Meeting of the Company in accordance with the rules envisaged in Russian law.

## **Article 22. Proposals to the General Shareholders Meeting Agenda**

**22.1.** The shareholder(s) jointly holding at least 2 percent of the Company's voting shares shall be entitled to introduce items into the annual General Shareholders Meeting agenda and to nominate candidates to the Company's Board of Directors and the Company's Internal Audit Commission, whose number may not exceed the quantitative composition of the appropriate body. Such proposals shall be submitted to the Company within 30 days from the reporting year end.

**22.2.** If the proposed agenda of an extraordinary General Shareholders Meeting contains the issue as to election of the Company's Board of Directors members, the Company's shareholder(s) jointly holding at least 2 percent of the Company's voting shares shall be entitled to nominate candidates to the Company's Board of Directors, whose number shall not exceed the quantitative composition of the Company's Board of Directors. Such proposals shall be submitted to the Company at least 30 days prior to the extraordinary General Shareholders Meeting date.

**22.3.** The proposal to introduce items to the General Shareholders Meeting agenda and the proposal to nominate candidates shall be made in writing, indicating the name(s) of the introducing shareholder(s), the quantity and category (type) of the shares held by them, and be signed by the shareholder(s) or their representatives. The Company's shareholder(s) not registered in the Company's Shareholders Register shall be free to make proposals to the agenda of the General Shareholders Meeting and the proposals as to nomination of candidates by making the appropriate instructions to the person who accounts for their rights to shares. Such instructions shall be given according to Russian Federation securities law.

**22.4.** The proposal to introduce items to the General Shareholders Meeting agenda shall contain the wording of each proposed item, and the proposal to nominate candidates, the name and data of the identification document (series and/or number of the document, date and venue of its issue, and the issuing authority) for each proposed candidate, the name of the body, to which he is proposed, as well as any other information on him/her, as envisaged in the Company's internal documents. The proposal to introduce items into the General Shareholders Meeting agenda may contain the resolution wording on each proposed item.

**22.5.** The Company's Board of Directors shall be obliged to consider the received proposals and to resolve to include the same into the General Shareholders Meeting agenda or to refuse to include the same into the said agenda within five days from the expiry of the period established in Sections 22.1 and 22.2 of these Articles of Association. The item proposed by the shareholder(s) shall be included into the General Shareholders Meeting agenda, just as the

nominated candidates, included into the list of candidates for voting at the elections to the appropriate Company's body, unless:

- the shareholder(s) do not comply with the period of time stipulated in Sections 22.1 and 22.2 of this Article;
- the shareholder(s) are not holding the Company's voting share quantity envisaged in Sections 22.1 and 22.2 of this Article;
- the proposal does not meet the requirements envisaged in Sections 22.3 and 22.4 of this Article; and
- the item proposed for inclusion into the Company's General Shareholders Meeting agenda is not referred to the competence and/or does not meet the requirements of the Federal Joint Stock Companies Law and other laws and regulations of the Russian Federation.

**22.6.** A well-substantiated resolution of the Company's Board of Directors as to the refusal to include the proposed item into the General Shareholders Meeting agenda, or the candidate, into the list of candidates for voting at the elections to the appropriate Company's body, shall be sent to the introducing or nominating shareholder(s) within three days from its adoption. If these proposals were received by the Company from persons who are not registered in the Company's Shareholders Register and who gave instruction to the person accounting for their rights to shares, this resolution of the Company's Board of Directors shall be forwarded such persons within three days from its adoption according to the provisions of the Russian Federation securities law concerning making available of information and documents to the persons exercising rights under securities.

The Company's Board of Directors resolution to refuse to include an item into the General Shareholders Meeting agenda, or a candidate, into the list of candidates for voting at the elections to the appropriate Company's body, as well as the Company's Board of Directors evasion from making the resolution may be appealed against to a court of law.

**22.7.** In addition to the items proposed for inclusion into the General Shareholders Meeting agenda by shareholders and in the absence of such proposals, the absence or insufficiency of the candidates proposed by shareholders to form the appropriate body, the Company's Board of Directors shall be entitled to include items into the General Shareholders Meeting agenda, or candidates, to the list of candidates, at its discretion.

### **Article 23. Preparation for the General Shareholders Meeting**

**23.1.** In preparation for the General Shareholders Meeting, the Company's Board of Directors shall define:

- 1) the General Shareholders Meeting form (a meeting in presentia or in absentia, by poll);
- 2) the date, venue, and time of the General Shareholders Meeting or, if the General Shareholders Meeting is held by absentee voting, the cut-off date for receipt of voting ballots;
- 3) mailing address, at which filled-in ballots shall be sent if, according to Article 60, Federal Joint Stock Companies Law, the voting is carried out by ballots;
- 4) the date of determination (recording) the persons entitled to participate in the General Shareholders Meeting;
- 5) the cut-off date for receipt of the shareholders' proposals for nomination of candidates to be elected to the Company's Board of Directors, if the agenda of the extraordinary General Shareholders Meeting contains the item regarding election of the Company's Board of Directors members;
- 6) General Shareholders Meeting agenda;
- 7) the procedure for notifying the shareholders of the General Shareholders Meeting;
- 8) the list of information (documents) provided to shareholders in preparation for the General Shareholders Meeting and the provision procedure; and;
- 9) the form and wording of the voting ballot, in the case of ballot voting, and the wordings of resolutions on agenda items of the General Shareholders Meeting, which are sent

electronically (in the form of electronic documents) to nominal shareholders registered in the Company's Shareholders Register.

**23.2.** The annual General Shareholders Meeting agenda shall include the election of the Company's Board of Directors, the Company's Internal Audit Commission, the approval of the Company's Auditor, the Annual Reports, the annual accounts (financial statements), in particular, the Company's Income Statements as well as the allocation of the Company's profits, including the dividend payment (declaration), and losses for a reporting year.

#### **Article 24. Extraordinary General Shareholders Meeting**

**24.1.** An extraordinary General Shareholders Meeting shall be held by resolution of the Company's Board of Directors, on its own initiative, at the request of the Company's Internal Audit Commission, the Company's Auditor as well as the shareholder(s) holding at least 10 percent of the Company's voting shares as of the request date.

The extraordinary General Shareholders Meeting shall be convened by the Company's Board of Directors at the request of the Company's Internal Audit Commission, the Company's Auditor or the shareholder(s) holding at least 10 percent of the Company's voting shares.

**24.2.** An extraordinary General Shareholders Meeting convened at the request of the Company's Internal Audit Commission, the Company's Auditor or the shareholder(s) holding at least 10 percent of the Company's voting shares shall be held within 40 days from the extraordinary General Shareholders Meeting request submission.

If the proposed extraordinary General Shareholders Meeting agenda contains the issue as to election of the Company's Board of Directors members, such General Shareholders Meeting shall be held within 75 days from the extraordinary General Shareholders Meeting request submission. In this case, the Company's Board of Directors shall designate the cutoff date for accepting the shareholders' proposals as to nomination of candidates to be elected to the Company's Board of Directors.

**24.3.** If the Company's Board of Directors is obliged to resolve to hold an extraordinary General Shareholders Meeting according to Articles 68 and 70, Federal Joint Stock Company's Law, such General Shareholders Meeting shall be held within 40 days from the Company's Board of Directors resolution to hold the same.

If the Company's Board of Directors is obliged to resolve to hold the extraordinary General Shareholders Meeting to elect of the Company's Board of Directors members, according to the Federal Joint Stock Companies Law, such General Shareholders Meeting shall be held within 70 days from the Company's Board of Directors resolution to hold the same.

**24.4.** The request for an extraordinary General Shareholders Meeting shall specify the issues to be included into the meeting agenda. The request for an extraordinary General Shareholders Meeting may contain the resolution wordings on each of these items as well as the proposal on the General Shareholders Meeting form. If the request for an extraordinary General Shareholders Meeting contains a proposal to nominate candidates, such proposal shall be covered by the appropriate provisions of Article 53, Federal Joint Stock Companies Law.

The Company's Board of Directors shall not be entitled to reword the agenda items, the resolutions on such items and to change the proposed form of the extraordinary General Shareholders Meeting convened at the request of the Company's Internal Audit Commission, the Company's Auditor or the shareholder(s) holding at least 10% of the Company's voting shares.

**24.5.** If the request for an extraordinary General Shareholders Meeting originates from the shareholder(s), it shall contain the name(s) of the shareholder(s) requesting the meeting convention and the quantity, category (type) of their shares.

The request for an extraordinary General Shareholders Meeting shall be signed by the person(s) requesting the extraordinary General Shareholders Meeting convention.

**24.6.** The Company's Board of Directors shall resolve to convene or to refuse to convene an extraordinary General Shareholders Meeting, within five days from the date of the request by

the Company's Internal Audit Commission, the Company's Auditor or the shareholder(s) holding at least 10 percent in the Company's voting shares.

The resolution to refuse to convene an extraordinary General Shareholders Meeting at the request of the Company's Internal Audit Commission, the Company's Auditor or the shareholder(s) holding at least 10% of the voting shares in the Company may be adopted if:

- the procedure for the extraordinary General Shareholders Meeting request submission, as established in this Article, is not complied with;
- the shareholder(s) requesting an extraordinary General Shareholders Meeting convention are not holders of the Company's voting share quantity envisaged in Section 24.1 of this Article;
- none of the issues proposed for inclusion into the General Shareholders Meeting agenda is referred to its competence and/or meets the requirements of the Federal Joint Stock Companies Law and other laws and regulations of the Russian Federation.

**24.7.** The Company's Board of Directors resolution to convene an extraordinary General Shareholders Meeting or a well-substantiated resolution to refuse to convene the same shall be sent to the requesting persons within three days from its adoption. If the request for the extraordinary General Shareholders Meeting is received by the Company from the persons not registered in the Company's shareholders register and have instructed the person who accounts for their rights to shares, the Company's Board of Directors resolution shall be sent to such persons within three days from its adoption, according to the rules of the Russian Federation securities law concerning provision of information and materials to the persons exercising rights to securities.

The Company's Board of Directors resolution to refuse to convene an extraordinary General Shareholders Meeting may be appealed against to a court of law.

**24.8.** If the Company's Board of Directors does not resolve to convene an extraordinary General Shareholders Meeting or resolves to refuse to convene the same, within the term established in Section 24.6 of this Article, the extraordinary General Shareholders Meeting may be convened by the bodies and persons requesting its convention. In this case, the bodies and persons convening the extraordinary General Shareholders Meeting shall have the powers envisaged in the Federal Joint Stock Companies Law and necessary for the convention and holding of the General Shareholders Meeting.

In this case, the General Shareholders Meeting preparation and holding costs may be reimbursed out of the Company's funds by resolution of the General Shareholders Meeting.

## **Article 25. Counting Board**

**25.1.** According to the Federal Joint Stock Companies Law, the counting board functions in the Company shall be performed by the Registrar.

**25.2.** The Counting Board shall verify the powers and register the persons participating in the General Shareholders Meeting, determine the General Shareholders Meeting quorum, explain the issues arising in connection with the shareholders' (their representatives') exercising of the voting right at the General Meeting, explain the procedure for voting on the issues put to vote, ensure the established voting procedure and the shareholders' rights to participate in voting, count votes and sum up voting results, draft the Minutes of the voting results, and transfer voting ballots to the archive.

## **Article 26. Procedure for Shareholders' Participation in the General Shareholders' Meeting**

**26.1.** The right to participate in the General Shareholders Meeting shall be exercised by a shareholder personally and via its representative.

A shareholder shall be at any time entitled to replace his/her representative at the General Shareholders Meeting or to personally participate in the General Shareholders Meeting.

A shareholder's representative at the General Shareholders Meeting shall act in accordance with the powers, upon the instructions of the federal laws or the regulations of

duly authorized governmental authorities or local authorities or a Power of Attorney in writing. A proxy shall contain information on the represented person and the representative (for an individual: the name, the identification document data (document series and/or number, its issue date, place and issuing authority), for a legal entity: the name, the location information). A proxy shall be issued according to the requirements of Sections 3 and 4, Article 185.1, Civil Code of the Russian Federation, or notarized.

**26.2.** If the share is transferred after the date of drafting of the list of persons entitled to participate in the General Shareholders Meeting and before the General Shareholders Meeting date, the person included into this list shall be obliged to issue a proxy to the purchaser or to vote at the General Shareholders Meeting in accordance with the share purchaser's instructions, if it is envisaged in the Share Transfer Contract.

**26.3.** If a share in the Company is in joint ownership of several persons, the powers to vote at the General Shareholders Meeting shall be exercised at their discretion by one of the joint owners or by their joint representative. The powers of each of these persons shall be duly formalized.

### **Article 27. General Shareholders Meeting Quorum**

**27.1.** The General Shareholders Meeting shall be competent (have quorum) if the shareholders jointly holding more than a half of votes on the Company's placed voting shares attend it.

**27.2.** If the General Shareholders Meeting agenda also includes the issues, voting on which is carried out by a different voter compositions, determination of the quorum for resolving on these issues shall be carried out separately. In this case, the absence of quorum for resolving on the issues, voting on which is carried out by one voter composition, shall not prevent from resolving on the issues, voting on which is carried out by another voter composition and for the adoption of which the quorum is available.

**27.3.** In the absence of the annual General Shareholders Meeting quorum, a repeated General Shareholders Meeting with the same agenda shall be held. In the absence of an extraordinary General Shareholders Meeting quorum, a repeated General Shareholders Meeting with the same agenda may be held.

The repeated General Shareholders Meeting shall be competent (have quorum) if the shareholders jointly holding at least 30% of the Company's placed voting shares attend it.

The notice of the repeated General Shareholders Meeting shall be made according to the requirements of Article 52, Federal Joint Stock Companies Law. In this case, provisions of Paragraph 2, Section 1, Article 52, Federal Joint Stock Companies Law, shall not be applied. The voting ballot delivery, sending and publication to hold the repeated General Shareholders Meeting shall be carried out in accordance with the requirements of Article 60, Federal Joint Stock Companies Law.

**27.4.** When a repeated General Shareholders Meeting is held less than 40 days after the failed General Shareholders Meeting, the persons entitled to participate in the such General Shareholders Meeting shall be determined (recorded) as of the date of determination (recording) of the persons entitled to participate in the failed General Shareholders Meeting.

### **Article 28. General Shareholders Meeting Voting**

**28.1.** Voting at the General Shareholders Meeting shall be carried out on the principle of "one voting share in the Company – one vote", except for the cumulative voting in the case envisaged in the Federal Joint Stock Companies Law.

### **Article 29. Voting Ballots**

**29.1.** Voting on the General Shareholders Meeting agenda items, in particular, on the agenda items of the General Shareholders Meeting held in absentia, by poll, shall be carried out by voting ballots.

Receipt by the Company's registrar of notices of will of the persons who are entitled to participate in the General Shareholders Meeting, are not registered in the Company's Shareholders Register and, according to the Russian Federation securities law, have given voting instructions to the persons accounting for their rights to shares, shall be equal to voting by ballots.

**29.2.** When the General Shareholders Meeting is held, in particular, in absentia, by poll, the voting ballot shall be sent by ordinary mail or delivered against signature to each person registered in the Company's Shareholders Register and entitled to participate in the General Shareholders Meeting, at least 20 days prior to the General Shareholders Meeting.

**29.3.** When the General Shareholders Meeting is held, except for the General Shareholders Meeting in absentia, by poll, the persons included into the list of persons entitled to participate in the General Shareholders Meeting or their representatives shall be free to get registered for participation in such meeting or send filled-in ballots to the Company.

**29.4.** A voting ballot shall specify:

- the full corporate name of the Company and its location;
- the General Shareholders Meeting form (a meeting in presentia or in absentia, by poll);
- the date, venue, time of the General Shareholders Meeting or, in the case of the General Shareholders Meeting in absentia, by poll, the voting ballot receipt cut-off date;
- the resolution wordings on each agenda item (each candidate's name), voting on which/whom is carried out by this ballot;
- the voting options for each agenda item, expressed by the wordings of 'in favor,' 'against' or 'abstained;' and the note that the voting ballot is to be signed by the person entitled to participate in the General Shareholders Meeting or his/her representative.

In the case of cumulative voting, a voting ballot shall indicate that and contain an explanation of the cumulative voting subject matter.

### **Article 30. Ballot Vote Counting**

**30.1.** In the case of ballot voting, the votes on the items, for which the voter leaves only one of the available voting options, shall be counted. The voting ballots filled-in in violation of the above requirement shall be deemed invalid, and the votes on the items therein shall not be counted.

If a voting ballot contains several items put to vote, non-compliance with the above requirement with respect to one or more items shall not entail the voting ballot recognition as invalid in general.

### **Article 31. Minutes and Voting Report**

**31.1.** Based on the voting, the Registrar acting as the Counting Board shall draft the Minutes of the voting results and sign the same. The Minutes of voting results shall be drafted within three business days from the General Shareholders Meeting closure or, when the General Shareholders Meeting is held in absentia, by poll, from the ballot receipt cut-off date.

**31.2.** Upon drafting of the Minutes of voting results and signing of the Minutes of the General Shareholders Meeting, the voting ballots shall be sealed by the Counting Board and transferred to the Company's archive for safe custody.

**31.3.** The Minutes of voting results shall supplement the Minutes of the General Shareholders Meeting.

**31.4.** The resolutions adopted by the General Shareholders Meeting and the voting results may be announced at the General Shareholders Meeting where the voting takes place and shall be communicated to the persons included into the list of persons entitled to participate in the General Shareholders Meeting in the form of the voting report in the manner envisaged for the notification of the General Shareholders Meeting, within four business days from the General Shareholders Meeting closure date or, when the General Shareholders Meeting is held in absentia, by poll, from the ballot receipt cut-off date.

If a nominal shareholder is registered in the Company's Shareholders' Register as of the date of determination (recording) of the persons entitled to participate in the General Shareholders Meeting, the information contained in the report on voting results shall be made available to the nominal shareholder, according to the rules of the Russian Federation securities law concerning making available the information and documents to the persons exercising rights to securities.

### **Article 32. General Shareholders Meeting Minutes**

**32.1.** The Minutes of the General Shareholders Meeting shall be drafted in duplicate within three business days from the General Shareholders Meeting closure. Both copies shall be signed by the General Shareholders Meeting Chairman and Secretary.

**32.2.** The Minutes of the General Shareholders Meeting shall specify:

- the General Shareholders Meeting venue and time;
- the total number of votes the shareholders holding voting shares in the Company have;
- the number of votes the shareholders participating in the General Shareholders Meeting have; and
- the General Shareholders Meeting Chairman (Presidium) and Secretary, the General Shareholders Meeting agenda.

The Minutes of the Company's General Shareholders Meeting shall contain key points of the speeches, the issues put to vote, the voting results thereon, and the resolutions adopted by the General Shareholders Meeting.

## **CHAPTER VII**

### **Company's Board of Directors and Company's Executive Bodies**

#### **Article 33. Company's Board of Directors**

**33.1.** The Company's Board of Directors shall carry out the overall management of the Company's operations, except for the resolution of the issues referred to the General Shareholders Meeting competence by the Federal Joint Stock Companies Law.

**33.2.** By resolution of the General Shareholders Meeting, the Company's Board of Directors members may be paid remuneration and/or reimbursed for the performance-related costs in the period of their performance as the Company's Board of Directors members. The amounts of such remuneration and reimbursement shall be established by resolution of the General Shareholders Meeting.

#### **Article 34. Company's Board of Directors Competence**

**34.1.** The Company's Board of Directors competence shall include handling of issues of the overall management of the Company's business, except for the issues referred to the General Shareholders Meeting competence by the Federal Joint Stock Companies Law.

The Company's Board of Directors competence shall include:

- 1) determination of the top priority lines of the Company's business; approval of the prospective plans and the main programs of the Company's business, including the Company's annual Budget and investment programs;
- 2) convention of the annual and extraordinary General Shareholders Meetings, except for the cases envisaged in Section 8, Article 55, Federal Joint Stock Companies Law;
- 3) approval of the General Shareholders Meeting agenda;
- 4) determination of the date of drafting the list of persons entitled to participate in the General Shareholders Meeting; preliminary approval of the Company's Annual Report and other issues referred to the Company's Board of Directors competence according to Chapter VII and other provisions of the Federal Joint Stock Companies Law and related to the preparation for and holding of the General Shareholders Meeting;

5) decision-making to increase the Company's share capital by placing additional shares to the extent of the quantity and categories (types) of declared shares, unless such decision-making is referred to the General Shareholders Meeting competence by the Federal Joint Stock Companies Law;

6) the Company's placement of additional shares, into which the Company's placed preferred shares of a certain type convertible into the ordinary shares or preferred shares of any other types are converted, unless such placement is related to increase in the Company's share capital, as well as the Company's placement of bonds or any other securities, except for shares;

7) determination of the asset price (valuation), the placement price or its determination procedure, and the securities repurchase price in the cases envisaged in the Federal Joint Stock Companies Law;

8) purchase of the Company's placed shares, bonds and any other securities in the cases envisaged in the Federal Joint Stock Companies Law;

9) establishment of the Company's executive bodies and early termination of their powers; establishment of the amount of remuneration and compensations to Chairman of the Company's Management Committee and members of the Company's Management Committee; agreement of the issue as to their concurrent service in management positions at other companies;

10) agreement, at the recommendation of the Company's Management Committee Chairman, of the appointment to and the dismissal from the position of Deputy Chairmen of the Company's Management Committee;

11) recommendations on the remuneration and compensation amounts paid to the Company's Internal Audit Commission members and determination of the Company's Auditor fee;

12) recommendations on the share dividend amount and its payment procedure;

13) use of the Company's surplus and other provisions;

14) approval of the Company's internal documents, except for the internal documents, approval of which is referred to the General Shareholders Meeting competence by the Federal Joint Stock Companies Law, and any other internal documents of the Company, approval of which is referred to the Company's executive bodies' competence by these Articles of Association;

15) creation of branches and opening of representative offices of the Company and liquidation thereof;

16) giving approval of entering into, or post factum approval of, major transactions in the cases envisaged in Federal Joint Stock Companies Law;

17) giving approval of entering into, or post factum approval of, transactions envisaged in Chapter XI, Federal Joint Stock Companies Law;

18) establishment of the procedure for entering into transactions;

19) establishment of the procedure for liaising with the business entities and companies, in which the Company holds shares and stakes, and decision-making on the issues referred to the Company's Board of Directors competence according to the procedure;

20) approval of the Company's Registrar and terms and conditions of an agreement with it, as well as the agreement termination;

21) setting up committees and commissions at the Company's Board of Directors; approval of their compositions and the regulations thereon;

22) decision-making on the Company's participation in other companies (except for the companies specified in Article 48.1.18, Federal Joint Stock Companies Law) and the participation termination;

22.1) applying for the listing of the Company's shares and/or convertible securities; and

23) any other issues of the Company's business.

**34.2.** The issues referred to the Company's Board of Directors competence shall not be referred to the Company's executive body for resolution.



## **Article 35. Election of the Company's Board of Directors**

**35.1.** The Company's Board of Directors members shall be elected by the General Shareholders Meeting in the manner envisaged in the Federal Joint Stock Companies Law and these Articles of Association, till the next annual General Shareholders Meeting. If the annual General Shareholders Meeting is not held within the periods of time specified in Article 47.1, Federal Joint Stock Companies Law, the Company's Board of Directors powers shall terminate, except for the powers to prepare for, convene and hold the annual General Shareholders Meeting.

**35.2.** The persons elected to the Company's Board of Directors may be re-elected indefinitely.

By resolution of the General Shareholders Meeting, the powers of all members of the Company's Board of Directors may be early terminated.

**35.3.** The Company's Board of Directors member shall be an individual only. A member of the Company's Board of Directors may not be the Company's shareholder.

The Company's collegial executive body members may not account for more than one fourth of the Company's Board of Directors. The person acting as the sole executive body shall not be the Company's Board of Directors Chairman at the same time.

**35.4.** The quantitative composition of the Company's Board of Directors shall be determined by the General Shareholders Meeting but shall not be less than 9 members.

**35.5.** The Company's Board of Directors member elections shall be carried out by cumulative voting.

In the case of cumulative voting, the number of votes held by each shareholder shall be multiplied by the number of persons to be elected to the Company's Board of Directors, and a shareholder shall be free to give the votes so obtained for one candidate only or to share the same among two and more candidates.

The candidates with the greatest number of received votes shall be deemed elected to the Company's Board of Directors.

## **Article 36. Company's Board of Directors Chairman**

**36.1.** The Company's Board of Directors Chairman shall be elected out of the Company's Board of Directors members by such members, by a majority of the total number of the Company's Board of Directors members' votes.

The Company's Board of Directors shall elect the Board of Directors Deputy Chairman out of the Board of Directors members, by a majority of the total number of the Board of Directors members' votes.

The Company's Board of Directors shall be entitled to re-elect its Chairman and/or its Deputy at any time, by a qualified majority of votes – at least two thirds of the Board of Directors members' votes.

**36.2.** By resolution of the Company's Board of Directors, the Company's Board of Directors Chairman or its Deputy or the Company's Management Committee Chairman shall chair at the General Shareholders Meeting.

**36.3.** The Company's Board of Directors Chairman shall arrange for its operations, convene the Company's Board of Directors meetings and chair at them, and arrange for keeping the Minutes at the meetings.

**36.4.** If there is no Chairman of the Company's Board of Directors, its functions shall be performed by the Board of Directors Deputy Chairman, and if there is no Chairman of the Board of Directors and no Deputy Chairman of the Board of Directors, one of the Company's Board of Directors members, by resolution of the Company's Board of Directors.

## **Article 37. Company's Board of Directors Meetings**

**37.1.** A meeting of the Company's Board of Directors shall be convened by the Company's Board of Directors Chairman on his/her own initiative, at the request of the Board of Directors

member, the Management Committee, the Management Committee Chairman, the Internal Audit Commission or the Company's Auditor.

**37.2.** The quorum for a meeting of the Company's Board of Directors with the agenda items, resolutions on which are adopted by a majority of votes of the Board of Directors members participating in the meeting, shall be more than a half of the Board of Directors elected members.

If the number of the Company's Board of Directors members becomes less than the established quorum, the Company's Board of Directors shall resolve to hold an extraordinary General Shareholders Meeting to elect a new composition of the Company's Board of Directors.

**37.3.** Resolutions at the Company's Board of Directors meeting shall be adopted by a majority of votes of the Board of Directors members participating in the meeting (a simple majority of votes), unless envisaged otherwise in the Federal Joint Stock Companies Law or these Articles of Association.

When determining the quorum and the results of voting on the agenda items, resolutions on which are adopted by a simple majority of votes, a written opinion of the Board of Directors member, who does not attend the meeting, may be taken into account in the cases and the manner envisaged in the Regulations on the Company's Board of Directors, as approved of by the General Shareholders Meeting.

**37.4.** Resolutions of the Company's Board of Directors shall be adopted unanimously, by all members of the Board of Directors, on the following issues:

- on putting forward to the General Shareholders Meeting for review, and on including into the General Shareholders Meeting agenda, of the issues as to the Company's reorganization or winding up and the liquidation commission appointment;
- on entering into a major transaction, the subject matter of which is the property valued from 25% to 50% of the book value of the Company's assets as of the date of the resolution to enter into the transaction;
- on the Company's placement of convertible bonds and other convertible securities; and
- on the increase in the Company's share capital by placement of additional shares to the extent of the quantity of declared shares.

When the Company's Board of Directors decision-making requires unanimity, the votes of the Board of Directors former members shall not be taken into account.

**37.5.** The qualified majority of votes – at least two thirds of the Board of Directors members' votes – shall resolve on the following:

- to refuse to convene an extraordinary General Shareholders Meeting;
- to refuse to include an item into the General Shareholders Meeting agenda, or a candidate, into the list of candidates for the election to the Company's Board of Directors and
- the Company's Internal Audit Commission, in the cases envisaged in Article 55.6 and Article Federal Joint Stock Companies Law;
- to early re-elect the Company's Board of Directors Chairman and/or its Deputy.

When the Company's Board of Directors makes decisions that require the qualified majority of votes, the votes of the Board of Directors former members shall not be taken into account.

**37.6.** Resolutions of the Company's Board of Directors that require unanimity or a qualified majority of votes shall only be adopted at the Company's Board of Directors meetings in the presence of the Board of Directors members, by voting in person.

Any other resolutions may be adopted by voting in absentia (poll).

**37.7.** The procedure for convention and holding of the Company's Board of Directors meetings and for the Company's Board of Directors decision-making in absentia, by poll, shall be defined in the Regulations on the Board of Directors, as approved of by the General Shareholders Meeting.

**37.8.** The Company's Board of Directors members shall perform their duties related to the Board of Directors membership personally. Appointment of another person, including another member of the Board of Directors, by members of the Board of Directors as their

representative for the participation in the Board of Directors meeting, or assigning of another person to sign a voting ballot for decision-making in absentia, by poll, shall not be allowed.

Personal participation of the Board of Directors members in the meetings of the Company's Board of Directors may be ensured, in particular, using video conference systems.

**37.9.** Each member of the Company's Board of Directors shall have one vote, unless envisaged otherwise in Article 77 and Article 83.3, Federal Joint Stock Companies Law.

A voting right transfer by the Company's Board of Directors member to another person, including another member of the Board of Directors, shall be prohibited.

In the case of equality of votes of the Company's Board of Directors members, the Board of Directors Chairman shall have a casting vote.

The Board of Directors Deputy Chairman or another member of the Board of Directors acting as the Board of Directors Chairman in the latter's absence shall not have a casting vote at the Board of Directors meetings.

**37.10.** The Company's Board of Directors shall keep minutes at its meetings. The Minutes of the Company's Board of Directors meeting shall be drafted within three days from its holding.

The meeting Minutes shall specify:

- its venue and time;
- the persons attending the meeting;
- the meeting Agenda;
- the items put to vote and the results of voting thereon; and
- the resolutions adopted.

The Minutes of the Company's Board of Directors meeting shall be signed by the meeting Chairman responsible for the proper drafting of the Minutes.

**37.11.** If the Company's Board of Directors adopts resolutions by poll, the following shall be recorded in the meeting (absentee voting) Minutes:

- the meeting date (the date of the filled-in ballot submission to the Board of Directors, as specified in the ballot, or, if all of the ballots are received before that date, the date of the Board of Directors receipt of the last signed ballot);
- the Board of Directors members who have submitted the signed voting ballots on or before the meeting date;
- the agenda;
- the items put to vote and the results of voting thereon; and
- the resolutions adopted.

The meeting (absentee voting) Minutes shall be drafted within 3 days from the meeting date.

The meeting (absentee voting) Minutes shall be signed by the Company's Board of Directors Chairman. The Minutes shall be accompanied with the voting ballots signed by the Company's Board of Directors members.

**37.12.** A member of the Company's Board of Directors, who has not taken part in the voting or has voted against the resolution adopted by the Company's Board of Directors in violation of the procedure established in the Federal Joint Stock Companies Law, other laws and regulations of the Russian Federation, these Articles of Association, shall be entitled to appeal against such resolution to a court of law, if this resolution violates his/her rights and legitimate interests. Such resolution may be submitted to a court of law within one month from the date when the Company's Board of Directors member learns or should learn about the adopted resolution.

### **Article 38. Company's Executive Bodies. Company's Sole Executive Body**

**38.1.** The Company's executive bodies shall be: the Company's Management Committee Chairman (the sole executive body) and the Company's Management Committee (collegial executive body).

The executive bodies shall be accountable to the Company's Board of Directors and the General Shareholders Meeting.

**38.2.** The competence of the Company's executive bodies shall include all of the Company's current operations management issues, except for the issues referred to the competence of the General Shareholders Meeting or the Company's Board of Directors.

The Company's executive bodies shall arrange for the fulfillment of the resolutions adopted by the General Shareholders Meeting and the Company's Board of Directors.

**38.3.** The Company's Management Committee Chairman shall be entitled to resolve all of the Company's current operations management issues, except for the issues referred to the competence of the Company's General Shareholders Meeting, the Company's Board of Directors and the Company's Management Committee.

The Company's Management Committee Chairman shall act on the Company's behalf without a Power of Attorney, in particular, represent its interests, enter into transactions on the Company's behalf, approve of the manning table, issue orders, instructions, assignments, which are binding upon all employees, sign all documents on the Company's behalf, approve of the Company's internal documents that govern its current operations, except for the internal documents on the Company's operations, approval of which is referred to the competence of the Company's General Shareholders Meeting, the Company's Board of Directors and the Company's Management Committee in accordance with these Articles of Association.

The Company's Management Committee Chairman shall also be entitled, upon agreement with the Company's Board of Directors, to appoint its deputies to act in accordance with the competence divided among them by the Management Committee Chairman.

The Company's Management Committee Chairman shall be entitled to appoint a person out of the Company's officials to temporarily act as the Management Committee Chairman for the time of his/her absence and in any other circumstances.

**38.4.** The Company's Management Committee Chairman shall represent the Company's Management Committee at the Board of Directors meetings and the General Shareholders Meetings.

**38.5.** The Company's Management Committee Chairman and Company's Management Committee members shall be elected for 5 years by the Company's Board of Directors.

The Company's Board of Directors shall be entitled to resolve to early terminate the powers of the Company's Management Committee Chairman, the Company's Management Committee members and to set up new executive bodies at any time.

If, upon expiry of the term of office of the Chairman of the Company's Management Committee, it is not resolved to establish a new sole executive body of the Company or to transfer his/her authorities to a management company or a manager, the authorities of the

Company's Management Committee Chairman shall be effective until these resolutions are made.

**38.6.** Rights and obligations of the Company's Management Committee Chairman and the Company's Management Committee members in the Company's current operations management shall be defined by the Federal Joint Stock Companies Law, other laws and regulations of the Russian Federation, and the agreement each of them concludes with the Company.

The agreement shall be signed on the Company's behalf by the Company's Board of Directors Chairman or the person authorized by the Company's Board of Directors.

Relations between the Company and the Company's Management Committee Chairman and the Company's Management Committee members shall be governed by the Russian employment law to the extent it does not contradict the Federal Joint Stock Companies Law provisions.

Concurrent service of the person acting as the Company's Management Committee Chairman and of the Company's Management Committee members in the management positions at other companies shall only be allowed upon the Company's Board of Directors consent.

## **Article 39. Company's Collegial Executive Body**

**39.1.** The Company's Management Committee shall act pursuant to the Company's Articles of Association and the Regulations on the Company's Management Committee, as approved by the General Shareholders Meeting, which establishes the time of, procedure for the convention and holding of the Company's Management Committee meetings, as well as the procedure for its decision-making.

**39.2.** The Company's Management Committee competence shall include:

1) elaboration of the Company's business prospective plans and programs to be submitted to the Company's Board of Directors, including the Company's annual Budget and investment programs; drafting of progress reports on their implementation and development and approval of the Company's current business plans;

2) arranging for the gas flow management, gas transportation, sales and carrying out of the control over the Unified Gas Supply System of the Russian Federation functioning;

3) approval of the domestic gas settlement prices and domestic settlement tariffs for gas transportation services; establishment of the procedure for settlements for gas and other product supplies as well as for the gas transportation services provision;

4) arranging for the control over the Company's long-term and current plans and programs fulfillment, over the Company's investment, financial and other projects implementation;

5) approval of the rules that secure the proper and reliable accounting in the Company and the timely filing of the Annual Report and other Financial Statements with the appropriate bodies as well as the Company's business information provided to its shareholders, lenders and to mass media;

6) establishment of the procedure for shareholders' studying of the information on the Company;

7) establishment of the accounting procedure for the Company's affiliates;

8) approval of the Company's internal documents falling within the Company's Management Committee competence; and

9) resolution of any other issues of the Company's current operations, which are put forward by the Company's Management Committee Chairman for the Company's Management Committee consideration.

**39.3.** A meeting of the Company's Management Committee shall be competent (have quorum) if at least a half of the Company's Board of Directors elected members take part in it.

Personal attendance of the Management Committee members at the meetings of the Company's Management Committee may be ensured, in particular, using video conference systems.

**39.4.** If the number of the Company's Management Committee members becomes less than the number that constitutes the quorum indicated in Section 39.3 of these Articles of Association, the Company's Board of Directors shall be obliged to set up the Management Committee that is competent to make resolutions.

**39.5.** Minutes shall be kept at the Company's Management Committee meetings. The Minutes of the Company's Management Committee meeting shall be provided to members of the Board of Directors, the Internal Audit Commission and the Company's Auditor at their request.

The Company's Management Committee Chairman shall arrange for the Company's Management Committee meetings.

The Company's Management Committee member voting right transfer to another person, including another member of the Company's Management Committee, shall not be allowed.

## **Article 40. Company's Board of Directors Member, Company's Management Committee Chairman and Company's Management Committee Members Responsibility**

**40.1.** The Company's Board of Directors members, the Company's Management Committee Chairman, the Company's Management Committee members shall, in exercising their rights

and performing their duties, act in the Company's interests, exercise their rights and perform their duties with respect to the Company in good faith and reasonably, and keep confidential the Company's business information that constitutes business or commercial secret.

**40.2.** The Company's Board of Directors members, the Company's Management Committee Chairman, the Company's Management Committee members shall be liable in accordance with the Russian law.

## **CHAPTER VIII**

### **Major Transactions**

#### **Article 41. Major Transaction**

**41.1.** A major transaction shall be a transaction (several related transactions) beyond the ordinary course of business and:

1) related to the Company's purchase, disposal or potential disposal, directly or indirectly, of the property (including a loan, credit, pledge, surety, purchase of such number of shares or other issue-grade securities convertible into the Company's shares, which entails the Company's duty to send a mandatory offer according to Chapter XI.1, Federal Joint Stock Companies Law), the price or book value of which stands at 25 and more percent of the Company's assets book value, based on its Financial Statements (Accounts) as of the most recent reporting date;

2) envisaging the Company's duty to transfer the property in temporary possession and/or use of or to entitle a third party to use the intellectual deliverables or identification means on the license conditions, if their book value stands at 25 and more percent of the Company's assets book value, based on its Financial Statements (Accounts) as of the most recent reporting date.

**41.2.** To enable the General Shareholders Meeting to resolve to give approval of a major transaction, the Company's Board of Directors shall determine the price of the property or the intellectual deliverables being the major transaction subject matter in accordance with Article 77, Federal Joint Stock Companies Law.

The Board of Directors shall approve the major transaction opinion, which shall contain, in particular, information on the major transaction's anticipated impact on the Company's business and assessment of the major transaction appropriateness. The major transaction opinion shall be incorporated into the information (documents) made available to the shareholders in preparation for the General Shareholders Meeting that will consider approval of entering into, or post factum approval of, the major transaction.

#### **Article 42. Major Transaction Approval or Post Factum Approval Procedure**

**42.1.** The Company's Board of Directors or the General Shareholders Meeting shall approve a major transaction in accordance with this Article.

**42.2.** The resolution to approve or to approve post factum a major transaction for the property valued from 25% to 50% of the Company's assets book value shall be adopted by all members of the Company's Board of Directors unanimously, without taking into account the votes of the Company's Board of Directors former members.

If the Company's Board of Directors unanimity as to approval or post factum approval of a major transaction is not reached, the approval or post factum approval of a major transaction may be referred, by resolution of the Company's Board of Directors, to the General Shareholders Meeting for resolution. In this case, the General Shareholders Meeting shall adopt the resolution to approve or to approve post factum a major transaction by a majority of votes of the shareholders holding voting shares and attending the General Shareholders Meeting.

**42.3.** A resolution to approve or to approve post factum a major transaction for the property valued at over 50% of the Company's assets book value shall be adopted by the General

Shareholders Meeting by the three fourths majority of votes of the shareholders holding voting shares and attending the General Shareholders Meeting.

**42.4.** The resolution to approve or to approve post factum of a major transaction shall specify the person(s) being the party(ies) to the transaction, the beneficiary(ies), the major transaction price and subject and other material conditions or their determination procedure.

The resolution to approve a major transaction may also contain minimum and maximum parameters of the transaction conditions (the upper price limit for the property purchase or the lower price limit for the property sale) or their determination procedure, the approval of entering into a series of similar transactions, alternative conditions of the transaction that requires approval, the approval of entering into a major transaction provided that several transactions are entered into simultaneously. The resolution to approve a major transaction may specify the resolution's effective period. If the period is not specified in the resolution, the approval shall be deemed effective for one year from its adoption, unless another period of time arises out of the essence and conditions of the major transaction approved, or out of the circumstances of granting the approval.

A major transaction may be entered into upon the condition precedent of obtaining approval of its conclusion in the manner established in the Federal Joint Stock Companies Law.

**42.5.** If a major transaction for the property valued at over 50% of the Company's assets book value determined based on its accounts (financial statements) as of the most recent reporting date is a related party transaction and, according to the Federal Joint Stock Companies Law, the major transaction approval has been submitted to the General Shareholders Meeting for consideration (Chapter XI, Federal Joint Stock Companies Law), the major transaction approval resolution shall be deemed adopted, if the number of votes required according to Section 4, Article 49, Federal Joint Stock Companies Law, and a majority of votes of all shareholders disinterested in the transaction, holding voting shares and attending the General Shareholders Meeting, has been given for it. If a major transaction for the property valued at 25% to 50% of the Company's assets book value determined based on its accounts (financial statements) as of the most recent reporting date is a related party transaction and, according to the Federal Joint Stock Companies Law, the major transaction approval has been submitted to the General Shareholders Meeting for consideration (Chapter XI, Federal Joint Stock Companies Law), the major transaction approval resolution shall be adopted in the manner envisaged in Chapter XI, Federal Joint Stock Companies Law.

### **Article 43. Purchase of over 30% Stake in the Company**

More than 30% stake in the Company shall be purchased in accordance with the provisions of Chapter XI.1, Federal Joint Stock Companies Law.

## **CHAPTER IX**

### **Interest in the Company's Entering into Transaction**

#### **Article 44. Interest in the Company's Entering into Transaction**

**44.1.** A related party transaction is the transaction, in which the Company's Board of Directors member, the Company's Management Committee Chairman, the Company's Management Committee member, or the entity controlling the Company or the entity authorized to give instructions mandatory for the Company, is interested.

These persons shall be recognized as interested in the Company's entering into a transaction in the cases when they, their spouses, parents, children, siblings and half-brothers and sisters, adoptive parents and adopted children and/or their affiliates:

- are a party to, a beneficiary of, an intermediate or a representative under the transaction;

- have control over the legal entity being a party to, a beneficiary of, an intermediate or a representative under the transaction; and
- hold management positions at the legal entity being a party to, a beneficiary of, an intermediate or a representative under the transaction, as well as management positions at the management company of such legal entity.

**44.2.** The Company shall notify members of the Company's Board of Directors and the Company's Management Committee of any related party transaction, and if all members of the Company's Board of Directors are interested in such transaction, it shall notify shareholders in the manner envisaged for notification of the General Shareholders Meeting.

The notice shall be sent at least fifteen days prior to the related party transaction date and shall specify the person(s) being its party(ies), beneficiary(ies), the transaction price, subject and other material conditions or their determination procedure, as well as the person(s) interested in the transaction, the reasons why the person (each of the persons) interested in the transaction has such status.

When preparing for the Company's annual General Shareholders Meeting, the persons entitled to attend the annual General Shareholders Meeting shall be provided with a report on the related party transactions made by the Company in the reporting year. This report shall be signed by the Company's Management Committee Chairman and approved by the Company's Board of Directors; the reliability of data contained therein shall be confirmed by the Company's Audit Commission.

#### **Article 45. Information on Interest in the Company's Entering into Transaction**

**45.1.** The persons specified in Paragraph 1, Section 44.1, Article 44, of these Articles of Association shall inform the Company of:

1) the legal entities, in which they, their spouses, parents, children, siblings and half-brothers and sisters, adoptive parents and adopted children and/or their affiliates are controlling entities or to which the above persons are authorized to give mandatory instructions;

2) the legal entities, where they, their spouses, parents, children, siblings and half-brothers and sisters, adoptive parents and adopted children and/or their affiliates hold positions;

3) the concluded or to-be-concluded transactions they are aware of, under which they may be recognized as related parties;

Within two months from the date, on which they become or should have become aware of the circumstances whereby they may be recognized interested in the Company's entering into the transactions.

**45.2.** If the information specified in paragraphs 1 and 2, Section 45.1 of this Article changes upon receipt by the Company of the notice envisaged in Section 45.1 of this Article, the persons indicated in paragraph 1, Section 1, Article 44 of these Articles of Association shall notify the Company of the changes in such information within 14 days from the date when they have become or should have become aware of the changes.

**45.3.** The Bank of Russia establishes the requirements to the delivery and format of the notices envisaged in Sections 45.1 and 45.2 of this Article.

**45.4.** The Company shall communicate information contained in the notices received and envisaged in Sections 45.1 and 45.2 of this Article to the Company's Board of Directors, the Company's Audit Commission and, upon request, to the Company's auditor.

#### **Article 46. Related Party Transaction Procedure**

**46.1.** A related party transaction shall not require mandatory prior approval thereof.

The Company's Board of Directors or the General Shareholders Meeting may approve a related party transaction before its conclusion in accordance with these Articles, when it is requested by the Company's Management Committee Chairman, the Company's



Management Committee member, the Company's Board of Directors member or shareholder (shareholders) holding at least one per cent of the Company's voting shares.

The request to hold the General Shareholders Meeting or a meeting of the Company's Board of Directors for approval of entering into a related party transaction shall be sent and considered in the manner envisaged in Article 55, Federal Joint Stock Companies Law. The Company's Board of Directors shall be free to deny the request to hold the General Shareholders Meeting or a meeting of the Company's Board of Directors for reasons envisaged in Article 55, Federal Joint Stock Companies Law, and where the resolution to approve or to deny approval of the respective transaction has already been adopted at the time of request consideration. A repeated request can be submitted in three months thereafter.

**46.2.** In the case envisaged in Section 46.1 of this Article, the Company's Board of Directors shall resolve to approve entering into a related party transaction by a majority of votes of the directors, who are disinterested in the transaction, are not and have not been during one year preceding the decision-making date:

1) a person acting as the Company's Management Committee Chairman, the Company's Management Committee member, a person holding management positions at the management company of the Company;

2) a person whose spouse, parents, children, siblings and half-brothers and sisters, adoptive parents and adopted children are the persons holding positions in management bodies of the management company of the Company, or a person who is the Company's manager;

3) a person controlling the Company or the management company (manager) entrusted to act as the Company's sole executive body or a person authorized to give instructions mandatory for the Company.

**46.3.** If the number of directors disinterested in entering into a transaction and meeting the requirements envisaged in Section 46.2 of this Article becomes less than two, the transaction shall be approved by the General Shareholders Meeting in the manner provided for by Section 46.4 of this Article.

**46.4.** The General Shareholders Meeting shall resolve to approve a related party transaction by a majority of votes of all shareholders disinterested in the transaction, holding the Company's voting shares and taking part in the voting in the following cases:

– if the subject matter of a transaction or several related transactions is the property, the value of which, according to the Company's accounting data (the purchased property offer price), accounts for 10 and more percent of the Company's assets book value, according to its accounts (financial statements) as of the most recent reporting date, except for the transactions envisaged in Paragraphs 3 and 4 of this Section;

– if a transaction or several related transactions are the placement by subscription or sales of the shares that represent over 2% of the ordinary shares earlier placed by the Company and the ordinary shares, into which the earlier placed convertible securities may be converted; and

– if a transaction or several related transactions are the placement by subscription of preferred shares representing over 2% of the shares earlier placed by the Company and the shares that may be converted into earlier placed convertible securities which may be converted into shares.

**46.5.** The rules envisaged in Section 4, Article 79, Federal Joint Stock Companies Law, shall apply to the resolution to approve entering into a transaction. Moreover, the resolution to approve entering into a transaction shall specify a person (persons) interested in the transaction and the proofs of interest therein of the person (each of the persons).

**46.6.** To enable the Company's Board of Directors and the General Shareholders Meeting to resolve to approve a related party transaction, the disposed or purchased property or services price shall be determined by the Company's Board of Directors in accordance with Article 77, Federal Joint Stock Companies Law.

## Article 47. Unapproved Transaction Contestation Procedure

**47.1.** If a related party transaction is entered into without approval thereof, a member of the Company's Board of Directors or the Company's shareholder(s) jointly holding at least one percent of the Company's voting shares shall be free to request the Company to provide information pertaining to the transaction, including documents or other information evidencing that the transaction is not against the Company's interests (in particular, has been entered into on terms and conditions that do not differ materially from the arm's length conditions). This information shall be provided to the requesting person within 20 days from the request receipt date.

A related party transaction can be recognized as invalid (Section 2, Article 174, Civil Code of the Russian Federation) upon a claim of the Company, a member of the Company's Board of Directors or the Company's shareholder(s) jointly holding at least one percent in the Company's voting shares, provided that it is prejudicial to the Company's interests and the other party to the transaction is proved to have known or should have known that the transaction is a related party one for the Company and/or that it has not been approved. Lack of approval of entering into a transaction shall not be in itself the reason for recognizing such transaction invalid.

The limitation period for a request to recognize a related party transaction invalid, if missed, shall not be reinstated.

**47.2.** Unless proved otherwise, the Company's interests shall be deemed prejudiced as a result of entering into a related party transaction, if all of the following conditions are met:

- 1) there is no approval or post factum approval of entering into the transaction;
- 2) the person having lodged a claim to recognize the transaction invalid has not been provided, upon request, with information on the disputed transaction in accordance with Section 47.1 of this Article.

**47.3.** A related party shall be liable to the Company in the amount of losses caused by the party to the Company under the Company's or its shareholder's claim, whether or not the transaction has been recognized invalid. If several parties are liable, they shall be liable to the Company jointly.

**47.4.** If, as of the date of entering into a related party transaction, the party specified in paragraph 1, Section 44.1, Article 44 of these Articles of Association fails to notify the Company of the circumstances, whereby the said party may be recognized interested in the transaction in accordance with Article 45 of these Articles of Association, the party shall be deemed guilty of incurring losses to the Company through the transaction.

## CHAPTER X

### Control over the Company's Financial and Business Operations

#### Article 48. Company's Internal Audit Commission

**48.1.** To control over the Company's financial and business operations, the General Shareholders Meeting shall elect the Company's Internal Audit Commission.

By resolution of the General Shareholders Meeting, the Company's Internal Audit Commission members may be paid remuneration and/or reimbursed for their performance-related costs in the period of their performance of duties. The amounts of such remuneration and reimbursement shall be established by resolution of the General Shareholders Meeting.

**48.2.** In addition to the matters envisaged in the Federal Joint Stock Companies Law, the Company's Internal Audit Commission competence shall include:

- audit and analysis of the Company's financial standing, its solvency, operations of the internal control system and the financial and operating risk management systems, the asset liquidity, the equity to borrowings ratio;
- audit of timeliness and correctness of settlements with the counterparties, the budget as well as the salary, social insurance, dividend accrual and payment and other settlements;

- audit of compliance with the applicable standards and rules, approved estimates and other documents that govern the Company's operations as well as fulfillment of the General Shareholders Meeting resolutions, when using materials, labor and financial resources in production and financial/business operations;
- audit of legitimacy of the Company's business transactions entered into under the contracts and deals concluded on the Company's behalf;
- audit of the Company's cash and property, efficient use of the Company's assets and other resources, identification of reasons for non-productive losses and costs;
- audit of fulfillment of the orders to eliminate any violations and drawbacks found by the Internal Audit Commission earlier; and
- audit of conformity of the resolutions on financial and business issues, which are adopted by the Company's Management Committee and the Company's Board of Directors, to the Company's Articles of Association and the General Shareholders Meeting resolutions.

The operating procedure of the Company's Internal Audit Commission shall be defined by the Regulations on the Internal Audit Commission, as approved by the General Shareholders Meeting.

**48.3.** The Company's financial and business operations shall be audited (inspected) based on the Company's annual performance as well as at any time on the Company's Internal Audit Commission initiative, by resolution of the General Shareholders Meeting, the Company's Board of Directors or at the request of the Company's shareholder(s) jointly holding at least 10 percent of the Company's voting shares.

**48.4.** At the request of the Company's Internal Audit Commission, the persons holding management positions at the Company's shall be obliged to provide the documents on the Company's financial and business operations.

**48.5.** The Company's Internal Audit Commission shall be entitled to require that an extraordinary General Shareholders Meeting be convened in accordance with Article 55, Federal Joint Stock Companies Law.

**48.6.** The Company's Internal Audit Commission members shall not be the Company's Board of Directors members or hold other management positions at the Company at the same time.

The shares held by the Company's Board of Directors members or the persons holding management positions at the Company shall not be counted in the voting when the Company's Internal Audit Commission members are elected.

#### **Article 49. Company's Auditor**

**49.1.** The Company's Auditor (audit company) shall audit the Company's financial and business operations in accordance with the laws and regulations of the Russian Federation, pursuant to the contract concluded with him/her/it.

**49.2.** The General Shareholders Meeting shall approve of the Company's Auditor. The Auditor's fee shall be established by the Company's Board of Directors.

#### **Article 50. Company's Internal Audit Commission Opinion or the Company's Auditor Opinion**

**50.1.** Based on the Company's financial and business operations, the Company's Internal Audit Commission or the Company's Auditor shall draft the opinion that shall contain:

- the reliability confirmation of the data in the Company's reports and other financial documents;
- the actual information on any violation of the procedure for accounting and filing accounts (financial statements), as established in the Russian Federation laws and regulations, as well as of any laws of the Russian Federation, in the financial and business operations.

## CHAPTER XI

### Company's Arbitration Court

To be deleted.

## CHAPTER XII

### Accounting and Reporting, the Company's Documents. Information on the Company

#### Article 52. Company's Accounting, Accounts (Financial Statements) and Consolidated Financial Statements

**52.1.** The Company shall keep accounting records and file accounts (financial statements) in the manner established in the Federal Joint Stock Companies Law and other laws and regulations of the Russian Federation.

The Company shall draft and file the consolidated accounts and the consolidated financial statements in the established manner.

**52.2.** The Company's Management Committee Chairman shall be responsible for the establishment, state and reliability of the Company's accounting, for the timely filing of the accounts (financial statements) to the appropriate authorities, as well as of the information on the Company's business, to shareholders, lenders and to mass media, in accordance with the Federal Joint Stock Companies Law, other laws and regulations of the Russian Federation and these Articles of Association.

**52.3.** The reliability of data in the Company's Annual Report, the Company's accounts (financial statements) and consolidated financial statements, shall be confirmed by the Company's Internal Audit Commission.

The Company shall engage an independent audit company having no proprietary interests in the Company or its shareholders for annual audit of annual accounts (financial statements) and consolidated financial statements.

**52.4.** The Company's Annual Report shall be subject to the Company's Board of Directors preliminary approval at least 30 days prior to the annual General Shareholders Meeting date.

#### Article 53. Company's Document Safe Custody

**53.1.** The Company shall keep the following documents:

- the Company's Articles of Association and any amendments and supplements thereto, which are registered in the established manner, the resolution to establish the Company, the Company's state registration document;
- the documents evidencing the Company's rights to the property on its Balance Sheet;
- the Company's internal documents;
- the Regulations on the Company's branch or representative office; Annual Reports;
- accounting records;
- accounting (financial statement) documents;
- Minutes of the General Shareholders Meetings, meetings of the Company's Board of Directors, the Company's Internal Audit Commission and the Company's Management Committee;
- voting ballots as well as Powers of Attorney (their copies) for participation in the General Shareholders Meeting;
- appraisers' reports;
- lists of the Company's affiliates;

- lists of the persons entitled to attend the General Shareholders Meeting and the persons entitled to receive dividends as well as any other lists drafted by the Company to enable shareholders to exercise their rights according to the Federal Joint Stock Companies Law;
- Opinions of the Company's Internal Audit Commission, the Company's Auditor, and federal and municipal financial control authorities;
- Securities Prospectuses, quarterly Issuer's Reports and other documents that contain information to be published or disclosed otherwise in accordance with the Federal Joint Stock Companies Law and other federal laws;
- Notices of entering into the Shareholders' Agreements, sent to the Company, as well as the lists of persons who/that have concluded such agreements;
- Court Rulings on the disputes related to the Company's establishment, management or participation in it; and
- any other documents envisaged in the Federal Joint Stock Companies Law, these Articles of Association, the Company's internal documents, resolutions of the General Shareholders Meeting, the Company's Board of Directors, the Company's Management Committee Chairman, the Company's Management Committee, as well as the documents envisaged in the laws and regulations of the Russian Federation.

**53.2.** The Company shall keep the documents envisaged in Section 53.1 of these Articles of Association at its Management Committee location in the manner and for the periods of time established by the Bank of Russia.

#### **Article 54. Company's Disclosures**

**54.1.** The information on the Company shall be disclosed by it in accordance with the Federal Joint Stock Companies Law and other laws and regulations of the Russian Federation.

#### **Article 55. Company's Disclosures to Shareholders**

**55.1.** The Company shall provide shareholders with access to the documents envisaged in Article 89.1, Federal Joint Stock Companies Law. The shareholder(s) jointly holding at least 25 percent of the voting shares in the Company shall have the right of access accounting documents and Minutes of the Company's Management Committee meetings.

**55.2.** The documents envisaged in Section 55.1 of these Articles of Association shall be provided by the Company in the Company's Management Committee premises within seven business days from the appropriate familiarization request date. The Company shall, at the request of the persons entitled to access the documents envisaged in Section 55.1 of these Articles of Association, provide them with copies of the said documents. The fee charged by the Company for the provision of these copies shall not exceed the costs of making them. Any additional requirements to the procedure for providing the documents specified in this Section as well as to the procedure for providing copies of such documents shall be established in the Bank of Russia regulations.

**55.3.** The Company shall provide its shareholders with access to court rulings available to the Company on any dispute related to the Company's establishment, management or participation therein, including arbitration tribunal awards for instigation of legal proceedings with regard to a case and the acceptance of a statement of claim or a statement on changes to the grounds or the subject matter of an earlier stated claim. This requirement also applies to arbitration tribunal rulings and orders on disputes related to the Company's establishment, management or participation therein. Within three days from the shareholder's making the respective request, these documents shall be provided by the Company for study in the Company's executive body premises. The Company shall, at a shareholder's request, provide him/her with copies of the said documents. The fee charged by the Company for provision of such copies shall not exceed the costs of making them.

**55.4.** The Company shall provide annual and intermediate consolidated Financial Statements to shareholders and to the Bank of Russia.

The annual and intermediate consolidated Financial Statements shall be signed by the Company's Management Committee Chairman and Chief Accountant and shall be made available to the Company's shareholders by posting on the Company's website, [www.gazprom.ru](http://www.gazprom.ru), in the Internet information and telecommunications network.

The annual consolidated Financial Statements shall be provided to the Company's shareholders annually, before the General Shareholders Meeting, but in any event within 120 days from the year-end and shall be subject to mandatory audit. The Auditor's Opinion shall be provided to shareholders and the Bank of Russia together with the annual consolidated Financial Statements.

The intermediate Financial Statements shall be provided to shareholders within 10 days from their signature by the Company's Management Committee Chairman and Chief Accountant.

The annual and intermediate consolidated Financial Statements shall be provided to the Bank of Russia in the manner defined by the Bank of Russia.

## **Article 56. Company's Mandatory Disclosures**

**56.1.** The Company shall disclose:

- the Company's annual report, annual accounts (financial statements);
- the Company's Securities Prospectus in the cases envisaged in the Russian Federation laws and regulations;
- the Notice of the General Shareholders Meeting in the manner envisaged in the Federal Joint Stock Companies Law; and
- other information defined by the Bank of Russia.

**56.2.** In case of the Company's public placement of bonds or other securities, the mandatory disclosure shall be carried out by the Company to the extent and in the manner established by the Bank of Russia.

**56.3.** The Company shall provide access to information on the Company's net asset value determined in accordance with the Federal Joint Stock Companies Law to any interested person in the manner provided for by the Russian law.

## **Article 57. Company's Affiliate Information**

**57.1.** A person shall be recognized as an affiliate in accordance with the Russian law.

**57.2.** The Company's affiliates shall notify the Company in writing of their shares in the Company, indicating their quantity and categories (types), within 10 days from the share purchase date.

**57.3.** If the said information non-disclosure or delay through the affiliate's fault results in any proprietary damages to the Company, the affiliate shall be liable to the Company in the amount of damages caused.

**57.4.** The Company shall keep accounting of its affiliates and file statements on them in accordance with the requirements of the Russian Federation law.

## **CHAPTER XIII**

### **Company's Reorganization and Liquidation**

#### **Article 58. Company's Reorganization**

**58.1.** The Company may be reorganized voluntarily by merger, takeover, separation, split-off and transformation in the manner envisaged in the Federal Joint Stock Companies Law.

Any other reasons and procedure for the Company's reorganization shall be defined by the Russian Federation Civil Code and other federal laws.

**58.2.** The Company shall be deemed reorganized, except for the cases of reorganization by takeover, from the state registration date of newly established legal entities. When the

Company is reorganized by takeover by another company, the Company shall be deemed reorganized upon making the Company's operations termination entry to the Unified State Register of Legal Entities.

### **Article 59. Company's Winding Up**

**59.1.** The Company may be wound up in the manner established by the federal laws and these Articles of Association, taking into account the requirements of the Federal Law on Gas Supply in the Russian Federation.

The Company's liquidation pursuant to a court ruling shall be carried out for the reasons envisaged in the Russian Federation Civil Code.

**59.2.** In case of the Company's liquidation, the Board of Directors shall put forward the issue of the Company's liquidation and the Liquidation Commission appointment to the General Shareholders Meeting for resolution, taking into account the requirements of Article 21.4, Federal Joint Stock Companies Law.

Upon the Liquidation Commission appointment, all powers to manage the Company's affairs shall pass to it. The Liquidation Commission shall act in the court of law in the name of the liquidated Company.

**59.3.** The procedure for the Company's liquidation and allocation of the property remaining upon the full settlements with lenders shall be defined by the Russian Federation law.

**59.4.** The Company's liquidation shall be deemed completed, and the Company terminated, from the time the appropriate entry is made to the Unified State Register of Legal Entities.