

**CHARTER**  
**of Public Joint-Stock Company "PhosAgro"**

*amended*

**Amendments made by Resolution of the General Meeting of Shareholders dd. 02 October 2017 (Minutes of the Extraordinary General Meeting of Shareholders dd. 15 October 2017), Certificate of Entry in the Unified State Register of Legal Entities dd. 18 October 2017**

**Amendments made by Resolution of the General Meeting of Shareholders dd. 16 January 2017 (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Certificate of Entry in the Unified State Register of Legal Entities dd. 02 February 2017**

**Revised Charter approved by the Extraordinary General Meeting of Shareholders on 29 July 2016 (Minutes of the Extraordinary General Meeting of Shareholders, w/o No. dd. 01 August 2016), Certificate of Entry in the Unified State Register of Legal Entities dd. 15 August 2016.**

Moscow  
2017

### **Article 1. General provisions**

- 1.1. Public Joint-Stock Company "PhosAgro" (hereinafter the "Company") shall act in accordance with the Civil Code of the Russian Federation, the Federal Law *On Joint-Stock Companies* and other applicable regulations of the Russian Federation.
- 1.2. The Company was registered by the State Registration Chamber under the Russian Ministry of Justice (incorporation certificate No. R-18009.16 of 10 October 2001).
- 1.3. The legal status of the Company, its reorganisation and liquidation procedures, and the rights and obligations of the Company's shareholders shall be defined by the the Civil Code of the Russian Federation, the Federal Law *On Joint-Stock Companies*, other federal laws and regulations of the Russian Federation, and this Charter.

### **Article 2. Corporate name and address of the Company**

- 2.1. The full corporate name of the Company in Russian shall be:  
Публичное акционерное общество «ФосАгро».  
The short corporate name of the Company in Russian shall be:  
ПАО «ФосАгро».
- 2.2. The full corporate name of the Company in English shall be:  
Public Joint Stock Company "PhosAgro".  
The short corporate name of the Company in English shall be:  
PJSC "PhosAgro".
- 2.3. The Company shall have its corporate seat in Moscow.
- 2.4. Address of the Company: 55/1 Leninsky prospect, bld. 1, Moscow, 119333, Russian Federation.

### **Article 3. Legal status of the Company**

- 3.1. The Company shall be a public joint-stock company.
- 3.2. The Company was incorporated for an indefinite term.
- 3.3. The Company shall be a legal entity under the applicable laws of the Russian Federation and have its own balance sheet and a round seal bearing its full corporate name and corporate address.
- 3.4. The Company may use stamps and letterheads bearing its corporate name, logo, duly registered trademarks, and other insignia.
- 3.5. The Company shall have bank accounts in roubles and foreign currency opened with authorised credit institutions.
- 3.6. The Company shall own the property transferred by the founders upon the Company's incorporation and the property transferred to the Company as a payment for shares in its authorised capital.
- 3.7. The Company shall be liable for its obligations with all of the property it holds. Shareholders shall not be held liable for any obligations of the Company and shall bear the risk of losses related to its operations within the value of shares held by them. Shareholders who have partially paid up their shares shall bear joint liability for the Company's obligations within the limits of the unpaid value of shares held by them.
- 3.8. The Company shall not be liable for the obligations of the government and its shareholders. Likewise, the government shall not be held liable for the obligations of the Company.
- 3.9. The Company may act as a plaintiff, a defendant or a third party in courts of justice, state and commercial arbitration courts.
- 3.10. The Company shall arrange for mobilisation training, civil defence and emergency response actions, and protection of information qualifying as a state secret in accordance with the applicable laws and other regulations of the Russian Federation.
- 3.11. The Company shall protect its confidential information as required by the applicable laws and other regulations of the Russian Federation.
- 3.12. The Company shall keep the documents as provided by the applicable laws and the Company's Charter, including permanent records of scientific and historical significance and

personnel records. Should there be no legal successor to the liquidated Company, permanent records of scientific and historical significance shall be transferred for storage to the appropriate archives, while personnel records (orders, personal cards, files, accounts, etc.) shall be transferred for storage to the Moscow government archive. Submission and arrangement of records shall be effected out of the funds of the Company in accordance with the requirements of the archive authorities. For the purpose of these Charter, the "applicable laws" shall refer to the body of Russian laws and other regulations effective for or applicable to the relevant legal matters at any given time.

3.13. The governing bodies of the Russian Federation, its constituent entities or municipalities shall have no special right to participate in the management of the Company (the "Golden Share").

#### **Article 4. Objectives, scope and lines of business**

4.1. The Company was incorporated to make profit.

4.2. The Company's lines of business shall include:

- activities related to holding companies;
- investments;
- origination of loans;
- business and management counselling;
- market research;
- legal services;
- other activities not expressly prohibited by the applicable laws.

4.3. The Company shall exercise civil rights and assume civil obligations required to pursue any business not expressly prohibited by the applicable laws.

4.4. The Company shall engage in foreign trade as prescribed by the applicable laws.

4.5. If and when required by the applicable laws of the Russian Federation, the Company may engage in certain activities subject to the procurement of a special permit (licence), membership in a self-regulatory organisation or the issuance of a dedicated authorisation certificate by such self-regulatory organisation.

4.6. The Company's right to engage in activities requiring the procurement of a special permit (licence), membership in a self-regulatory organisation or the issuance of a dedicated authorisation certificate by a self-regulatory organisation shall become effective from the date of the permit (licence) or within the time frame set out therein, or from the date of the Company's admission to a self-regulatory organisation, or the issuance date of the self-regulatory organisation's authorisation certificate, and cease to exist upon the termination of such permit (licence), membership in a self-regulatory organisation or the the self-regulatory organisation's authorisation certificate.

#### **Article 5. Authorised capital and shares of the Company**

5.1. For business purposes, the Company has the authorised capital consisting of the par value of the Company's shares purchased by the shareholders. The Company's authorised capital amounts to three hundred twenty-three million seven hundred and fifty thousand roubles (RUB 323,750,000). The Company's authorised capital consists of the par value of one hundred twenty-nine million and five hundred thousand (129,500,000) uncertificated registered ordinary shares issued by the Company. The par value of each uncertificated registered ordinary share of the Company is two roubles and fifty kopecks (RUB 2.50).

The Company may additionally offer nine hundred ninety-four million nine hundred seventy-seven thousand and eighty (994,977,080) uncertificated registered ordinary shares with a par value of two roubles and fifty kopecks (RUB 2.50) each and the total par value of two billion four hundred eighty-seven million four hundred forty-two thousand and seven hundred roubles (RUB 2,487,442,700) (authorised ordinary shares).

5.2. In case of a new offering, authorised shares shall give the purchaser the same scope of rights as the outstanding shares referred to in these Charter. The General Meeting of Shareholders

shall resolve on any amendments to these Charter as regards the authorised shares of the Company specified herein, excluding amendments decreasing the number of such authorised shares as a result of a follow-on offering.

5.3. The authorised capital of the Company may be increased by raising the par value of shares or by offering additional shares. Additional shares may be offered by the Company in strict compliance with the limits imposed by the overall number of authorised shares. The Company may offer additional shares through both open and private subscriptions provided that the applicable laws do not restrict private subscription offerings.

5.4. The Company may increase its authorised capital by raising the par value of shares based on a resolution adopted by a majority vote of the holders of voting shares participating in the Company's General Meeting of Shareholders. The Company may only use its own property to increase the authorised capital by raising the par value of shares.

5.5. The resolution to increase the Company's authorised capital by offering additional shares shall be adopted by the Company's General Meeting of Shareholders or the Board of Directors as long as this Charter entitles them to adopt such resolutions. The Company may use its own property to increase the authorised capital by offering additional shares.

5.6. The Company may and, where prescribed by the Federal Law *On Joint-Stock Companies*, shall reduce its authorised capital. The authorised capital of the Company may be reduced by decreasing the par value of the shares or bringing down their total number, inter alia, through repurchase and partial cancellation of such shares.

5.7. The resolution to reduce the Company's authorised capital by decreasing the par value of the shares or partially repurchasing them to bring down the total number thereof shall be adopted by the General Meeting of Shareholders. The resolution to reduce the Company's authorised capital by decreasing the par value of the shares shall be adopted by a three-quarters majority vote of the holders of voting shares participating in the General Meeting of Shareholders at the suggestion of the Company's Board of Directors.

5.8. The Company may not resolve to reduce its authorised capital, if and when the federal law prohibits to do so.

#### **Article 6. Funds of the Company**

6.1. The Company shall create a reserve fund accounting for fifteen (15%) per cent of the Company's authorised capital. The reserve fund shall be used to cover the Company's losses, repurchase its shares and redeem its bonds should no other sources be available. The reserve fund may not be used for other purposes.

6.2. The Company shall annually allocate five (5%) per cent of its net income to the reserve fund, until it reaches the amount stipulated by clause 6.1 hereof. The Company's Board of Directors shall determine the procedures to use the Company's reserve fund.

6.3. The Company shall have the right to set up other funds as prescribed by this Charter and the applicable laws.

#### **Article 7. Rights of the holders of the Company's ordinary shares**

7.1. Each of the Company's ordinary shares shall give its owner, a shareholder, the same scope of rights. If, pursuant to the applicable laws, shareholders own fractional ordinary shares of the Company, each fractional share shall give its holder the scope of rights pro rata to the fraction of a whole ordinary share of the Company.

7.2. Each shareholder, owner of the Company's ordinary shares, shall be entitled to:

- (1) pursuant to the Federal Law *On Joint-Stock Companies* and this Charter, participate in the Company's General Meeting of Shareholders with a right to vote on all issues within its scope of authority;
- (2) receive dividends in accordance with the Federal Law *On Joint-Stock Companies* and this Charter;
- (3) receive part of the Company's property in case of its liquidation;

- (4) claim the repurchase by the Company of all or some of the shareholder's shares as prescribed by the applicable laws;
- (5) participate in managing the Company's affairs;
- (6) appeal against resolutions of the Company's bodies, resulting in civil and legal consequences, as prescribed by the applicable laws;
- (7) claim recovery of the losses incurred by the Company, acting on behalf of the Company;
- (8) challenge transactions executed by the Company, acting on behalf of the Company, for reasons contemplated by the applicable laws, and require application of consequences of their invalidity, as well as application of consequences of invalidity of void transactions of the Company;
- (9) have access to the documents listed in article 89, clause 1 of the Federal Law *On Joint-Stock Companies* (excluding accounting records). Only shareholders (a shareholder) owning collectively at least twenty-five (25%) per cent of the Company's voting shares shall have access to the accounting records and the meeting minutes of the Company's collective executive body (the Management Board).
- (10) request that the Company's Registrar provide an extract from the Company's share register;
- (11) receive information about all records from the shareholder account or any other information from the Company's Registrar as prescribed by the applicable laws;
- (12) if and when permitted by the applicable laws, protect their rights and legitimate interests as the Company's shareholder in court;
- (13) have other rights as prescribed by the applicable laws and this Charter.

7.3. The persons listed as entitled to participate in the General Meeting of Shareholders and holding at least one (1) per cent of the voting shares shall have the right to require that the Company make the said list available for review. Document data and postal addresses of the listed individuals shall, however, be disclosed subject to their preliminary approval.

7.4. Shareholders (a shareholder) jointly holding at least two (2) per cent of the Company's voting shares may propose items for the agenda of the Annual General Meeting of Shareholders and nominees to the Company's Board of Directors and Review Committee (Review Officers); the number of such nominees shall not exceed the overall number of members in the respective body. Should election of the Company's Board of Directors be on the proposed agenda of the Extraordinary General Meeting of Shareholders, shareholders (a shareholder) jointly holding at least two (2) per cent of the Company's voting shares may propose their nominees to the Board of Directors; the number of such nominees shall not exceed the overall number of members in the Company's Board of Directors.

Should reorganisation of the Company through merger, split-up or spin-off, and election of the Board of Directors (Supervisory Board) of a company to be incorporated through merger, split-up or spin-off, be on the proposed agenda of the General Meeting of Shareholders, shareholders (a shareholder) jointly holding at least two (2) per cent of the Company's voting shares may propose their nominees to the newly incorporated company's Board of Directors (Supervisory Board), collective executive body and Review Committee, or Review Officer candidates (the number of such nominees shall not exceed the overall number of members in the respective body as stated by the notice of the General Meeting of Shareholders in accordance with the newly incorporated company's draft Charter), or a nominee to the sole executive body of the newly incorporated company.

Should reorganisation of the Company through a merger be on the proposed agenda of the General Meeting of Shareholders, shareholders (a shareholder) jointly holding at least two (2) per cent of the Company's voting shares may propose their nominees to the Board of Directors (Supervisory Board) of the company incorporated through a merger; the number of such nominees shall not exceed the overall number of members elected by the Company to the Board of Directors (Supervisory Board) of the newly incorporated company as stated in the notice of the General Meeting of Shareholders in accordance with the merger agreement.

7.5. Shareholders (a shareholder) holding at least ten (10) per cent of the Company's voting shares may request that the Company's Board of Directors convene an Extraordinary General Meeting of

Shareholders.

7.6. Shareholders (a shareholder) holding at least ten (10) per cent of the Company's voting shares may at any time initiate an audit (review) of the Company's financial and operating performance.

7.7. Shareholders (a shareholder) holding at least twenty-five (25) per cent of the Company's voting shares shall have the right to access the accounting records and the meeting minutes of the Company's collective executive body (Management Board) and ask for copies of the above documents.

#### **Article 8. Dividends of the Company**

8.1. Following the results of the first quarter, first half, and first nine (9) months of the reporting year and/or the entire reporting year, the Company may resolve to pay (declare) dividends on the outstanding shares. The resolution to pay (declare) dividends following the results of the first quarter, first half, and first nine (9) months of the reporting year may be adopted within three (3) months after the expiration of the relevant period.

8.2. The resolution to pay (declare) dividends shall be adopted by the General Meeting of Shareholders. The above resolution shall determine the amount of dividends for each class (type) of shares, payment procedures for non-cash dividends, and the dividend record date. The resolution on the dividend record date shall only be adopted based on the proposal of the Company's Board of Directors.

8.3. The amount of the dividends shall not exceed the amount recommended by the Company's Board of Directors.

8.4. The record date for the purpose of dividend payment (declaration) may not be set earlier than ten (10) days upon adoption of the resolution to pay (declare) dividends and later than twenty (20) days upon the adoption of such resolution.

8.5. The payment period for dividends owed to a nominal holder and a professional participant of the securities market acting as a trustee listed in the share register shall not exceed ten (10) business days, whereas the payment period for dividends owed to other persons listed in the share register shall not exceed twenty-five (25) business days after the record date. Dividends shall be paid to persons holding shares of the relevant class (type) or persons exercising rights in respect of such shares in accordance with the applicable federal laws as at the end of the business day coinciding with the dividend record date set out in the resolution on the payment of dividends.

8.6. The Company or the Registrar acting on its behalf and keeping the Company's share register, or the relevant credit institution shall pay the cash dividends by wire transfer. Cash dividends owed to individuals, whose rights to shares are recorded in the Company's share register, shall be transferred to their bank accounts, if the Company's Registrar has the relevant account details, otherwise shall be paid by a postal order. Dividends owed to other persons, whose rights to shares are recorded in the Company's share register, shall be paid by remitting the cash amount to their bank accounts. The Company's obligation to pay dividends to such persons shall be deemed discharged from the date, on which the transmitted funds are accepted by the federal postal service, or after the same are received by the credit institution where the bank account of the person entitled to dividends has been opened, or, if such person is a credit institution, after the same are credited to the institution's account.

8.7. Persons entitled to dividends with their rights to shares recorded in the name of the nominal shareholder shall receive cash dividends as prescribed by the Russian securities law. The nominal holder in receipt of the remitted dividends who has failed to perform its obligation to transfer the same, as prescribed by the Russian securities law, for the reasons beyond its control, shall return the dividends to the Company within ten (10) days upon expiry of one (1) month after the end of the dividend payment period.

8.8. The Company may not adopt resolutions to pay (declare) dividends on shares and or/pay the declared dividends on shares in cases specified by the federal law.

### **Article 9. Branches and representative offices of the Company**

9.1. The Company may set up and open representative offices as required by the Civil Code of the Russian Federation, the Federal Law *On Joint-Stock Companies* and other federal laws.

9.2. Branches and representative offices shall act on behalf of the Company in accordance with regulations approved by the Board of Directors.

9.3. The Company has no representative offices or branches.

### **Article 10. Share register of the Company**

10.1. The Company shall maintain and store the share register in accordance with the laws and regulations of the Russian Federation.

10.2. The holder of the Company's share register shall be a professional registrar (the "Registrar") that has chosen to maintain the share register as its exclusive business activity and is authorised by a licence.

10.3. Persons listed in the Company's share register shall notify the holder of the share register of any changes in their personal details in a timely manner. Should they fail to provide information on such changes, the Company and Registrar shall not be held liable for any ensuing losses.

### **Article 11. Governance bodies of the Company**

11.1. The Company shall have the following governance bodies:

- General Meeting of Shareholders;
- Board of Directors;
- Management Board, the Company's collective executive body;
- Chief Executive Officer, the Company's sole executive body.

### **Article 12. The General Meeting of Shareholders**

12.1. The Company's supreme governing body shall be the General Meeting of Shareholders.

12.2. The General Meeting of Shareholders shall be authorised to:

- (1) amend the Company's Charter, or approve its updated version;
- (2) reorganise the Company;
- (3) liquidate the Company, appoint the liquidation committee (liquidator), and approve the interim and final liquidation balance sheets;
- (4) elect the Company's Directors, and remove them from office prior to expiry of their term;
- (5) determine the number, par value, type (class) of the Company's authorised shares, and the rights granted thereby;
- (6) increase the Company's authorised capital by raising the par value of its shares;
- (7) increase the Company's authorised capital by offering through an open subscription ordinary shares comprising in excess of twenty-five (25) per cent of the outstanding ordinary shares, and by offering through an open subscription issue-grade securities convertible into ordinary shares comprising in excess of twenty-five (25) per cent of the outstanding ordinary shares;
- (8) increase the Company's authorised capital by offering through a private subscription additional shares or other issue-grade securities convertible into the Company's shares;
- (9) reduce the Company's authorised capital through a decrease in the par value of shares by repurchasing a portion of the shares to reduce their total number, as well as by cancelling the acquired or repurchased shares;
- (10) elect the Company's Review Committee (Review Officer);
- (11) remove the Company's Review Committee (Review Officer) from office prior to expiry of their term of office;
- (12) approve the Company's auditor;
- (13) pay (declare) dividends following the results of the first quarter, first half, and first nine months of the reporting year;
- (14) approve the Company's annual report, annual financial (accounting) statements;
- (15) distribute the Company's earnings (inter alia, pay (declare) dividends, except for paying (declaring) dividends following the results of the first quarter, first half, and first nine

- months of the reporting year) and losses based on the results of the reporting year;
- (16) establish the procedure for the General Meeting of Shareholders;
  - (17) split up and consolidate shares;
  - (18) consent to or subsequently approve transactions as prescribed by article 17 hereof; *(Subclause amended by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017).*
  - (19) consent to or subsequently approve major transactions as prescribed by article 16 hereof; *(Subclause amended by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017).*
  - (20) repurchase the Company's outstanding shares as prescribed by the Federal Law *On Joint-Stock Companies*;
  - (21) resolve on the Company's participation in financial and industrial groups, associations and other unions of business entities;
  - (22) adopt by-laws governing the Company's bodies;
  - (23) resolve on reimbursing the persons or bodies convening an Extraordinary General Meeting of Shareholders pursuant to a court ruling, at the Company's expense, for the costs of preparing and holding thereof;
  - (24) resolve on remunerating the Directors and/or compensating the expenses related to their functions as the Company's Directors, as well as on the amount of such remunerations and compensations;
  - (25) resolve on remunerating the Review Committee members (Review Officer) and/or compensating the expenses related to their functions as members of the Company's Review Committee (Review Officer), as well as on the amount of such remunerations and compensations;
  - (26) resolve to apply for the delisting of the Company's shares and/or securities convertible into shares;
  - (27) resolve on other matters, as prescribed by the Federal Law *On Joint-Stock Companies* and the Charter.

Matters within the competence of the General Meeting of Shareholders shall not be referred to the Board of Directors, except for those stipulated by the Federal Law *On Joint-Stock Companies*, or to the Company's executive body.

12.3. Resolutions of the General Meeting of Shareholders on the matters put to the vote shall be passed by a majority of the votes of participating shareholders who own the Company's voting shares, unless otherwise prescribed by the the Federal Law *On Joint-Stock Companies* and the Charter.

12.4. Each matter put to the vote shall require a separate resolution.

12.5. Resolutions on the matters specified in subclauses (2), (6)–(8) and (17)–(22) of clause 12.2 hereof shall only be adopted by the General Meeting of Shareholders upon the proposal of the Board of Directors.

12.6. Resolutions on matters listed in subclauses (1)–(3), (5), (19), (20) and (26) of clause 12.2 hereof shall pass, if supported by three quarters of the holders of voting shares participating in the General Meeting of Shareholders. *(Subclause amended by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017).*

12.7. The General Meeting of Shareholders shall not consider and pass resolutions on matters beyond the scope of its competence.

12.8. The General Meeting of Shareholders shall not pass resolutions on matters not included in the agenda, or amend the agenda.

12.9. The Company shall convene its General Meeting of Shareholders annually.

12.10. The Company's Annual General Meeting of Shareholders shall be held not earlier than two (2) months and not later than six (6) months following the end of the reporting year.



12.11. The Annual General Meeting of Shareholders shall elect the Company's Board of Directors and Review Committee (Review Officer), approve the Company's auditor, consider matters stipulated by subclause (14) of clause 12.2 hereof, as well as other matters within the competence of the General Meeting of Shareholders.

12.12. Shareholders (a shareholder) jointly holding at least two (2) per cent of the Company's voting shares may propose items for the agenda of the Annual General Meeting of Shareholders and nominees to the Company's Board of Directors and Review Committee (Review Officer), whilst the number of such nominees shall not exceed the overall number of members in the respective body. Such proposals shall be submitted to the Company within sixty (60) days after the end of the reporting year.

12.13. Alongside information required by the applicable laws, proposals on nominees to the Company's Board of Directors and Review Committee (Review Officer) shall include the following data:

(1) nominee age;

(2) nominee education;

(3) nominee employments during the current year.

12.14. Any shareholder meetings other than the annual one shall be deemed extraordinary.

12.15. An Extraordinary General Meeting of Shareholders shall be convened by the Board of Directors at its sole discretion or at the request of the Company's Review Committee (Review Officer), the Company's auditor and shareholders (shareholder) holding at least ten (10) per cent of the Company's voting shares as at the date of the request.

12.16. An Extraordinary General Meeting of Shareholders convened at the request of the persons or bodies specified in clause 12.15 hereof shall be held within forty (40) days from the date of the request.

Should election of the Board of Directors be on the proposed Extraordinary General Meeting's agenda, this General Meeting of Shareholders shall be convened within seventy-five (75) days upon the receipt of the request thereof.

12.17. Should the number of the Company's Directors be insufficient to constitute a quorum for the Board of Directors' meeting, the existing Directors shall resolve on convening the Extraordinary General Meeting of Shareholders to elect new Directors. This Extraordinary General Meeting of Shareholders shall be held within forty (40) days upon adoption of such resolution by the Company's Board of Directors. In this event, the powers of the existing Directors shall be limited to convening such Extraordinary General Meeting of Shareholders. When the Board of Directors is obliged to resolve on convening an Extraordinary General Meeting of Shareholders, as prescribed by the Federal Law *On Joint-Stock Companies*, to elect new Directors, such General Meeting shall be convened within seventy (70) days upon adoption of such resolution by the Company's Board of Directors.

12.18. The General Meeting of Shareholders shall be chaired by the Chair of the Company's Board of Directors or, in case of their absence, their deputy or another Director (as resolved by the Board of Directors). The chair of the General Meeting of Shareholders may authorise another person to hold the meeting, while remaining the chair thereof. The Secretary of the Company's Board of Directors or another person appointed by the Chair of the General Meeting of Shareholders shall act as the Secretary of the General Meeting of Shareholders.

12.19. The notice of the General Meeting of Shareholders shall be served to shareholders no later than twenty (20) days prior to the meeting; in case the Company's reorganisation is on the meeting agenda, the notice shall be served to shareholders no later than thirty (30) days prior to the meeting. The notice of the General Meeting of Shareholders shall be served no later than fifty (50) days prior to the meeting, if so required by clauses 2 and 8 of article 53 of the Federal Law *On Joint-Stock Companies*.

Information on the record date for the General Meeting of Shareholders shall be disclosed by the Company at least seven (7) days before such date, in the form and manner prescribed by the applicable laws and regulations.

12.20. The notice of the General Meeting of Shareholders shall be published on the Company's website ([www.phosagro.ru](http://www.phosagro.ru)) on the Internet within the period, indicated in clause 12.19. (*Subclause amended by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 15 October 2017), Amendments registered on 18 October 2017*).

12.21. The General Meeting's agenda items shall be voted on by ballots only. The voting ballot shall be sent to each person listed as entitled to take part in the Company's General Meeting of Shareholders by registered mail or delivered by hand against receipt within the time period specified for serving (delivering) the notice of the General Meeting of Shareholders, unless otherwise stipulated by the applicable laws.

12.22. The Company shall provide the persons entitled to take part in the Company's General Meeting of Shareholders with the information (materials) to be made available to them while preparing for the General Meeting of Shareholders pursuant to the Federal Law *On Joint-Stock Companies* or this Charter, at the office of the Company's executive body or other places specified in the meeting notice, within twenty (20) days before the date thereof, and in case of the Company's reorganisation on the General Meeting's agenda, within thirty (30) days before the date thereof. The said information (materials) shall also be made available to persons taking part in the General Meeting of Shareholders during its proceedings.

12.23. The person maintaining the Company's share register and acting as the Company's Counting Board (the Registrar) shall confirm the resolutions passed by the General Meeting of Shareholders and the list of the Company's shareholders who were present when they were passed.

12.24. The Company's General Meeting of Shareholders shall be held at one of the following venues: the Company's place of business (Moscow, Russian Federation) or Nicosia/Limassol, Cyprus. The specific venue (address) of the meeting shall be determined by the Company's Board of Directors when passing the respective resolution.

12.25. Should a person on the Company's share register be a nominee shareholder, the notice of the General Meeting and all the information (materials) to be provided to the persons entitled to take part in the Company's General Meeting of Shareholders while preparing for the meeting shall be sent electronically (as a soft copy with an electronic signature) to the nominee shareholder. The nominee shareholder shall notify the respective beneficial owners of the General Meeting of Shareholders, and forward the information (materials) received hereunder as and when prescribed by the applicable laws and regulations of the Russian Federation or the contract with the beneficial owner.

12.26. The General Meeting of Shareholders may pass resolutions without holding a meeting (in the form of joint presence of shareholders to discuss the agenda items and pass resolutions on matters put to the vote) by means of absentee voting. The General Meeting of Shareholders shall not be held in the form of absentee voting, if its agenda includes items related to the election of the Board of Directors and Review Committee (Review Officer), approval of the Company's auditor, or matters specified in subclause (14) of clause 12.2 hereof. (*Subclause amended by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017*).

12.27. The General Meeting of Shareholders shall be qualified (quorate), if attended by shareholders collectively owning more than half of the Company's outstanding voting shares. The shareholders registered to participate in the General Meeting, and the shareholders whose voting ballots were received at least two (2) days prior to the meeting shall be deemed participants of the General Meeting of Shareholders. The shareholders whose voting ballots were received before the final date for submitting the voting ballots for the meeting shall be deemed participants of the General Meeting of Shareholders held by absentee voting.

12.28. Resolutions passed by the General Meeting of Shareholders and voting results may be announced during the General Meeting of Shareholders at which the vote took place, and shall be communicated to the persons entitled to participate in the General Meeting in the form of a report on the voting results in line with the established procedures of the General Meetings of

Shareholders within four (4) business days after the date of the meeting or the final date for submitting the voting ballots in case of absentee voting.

Should a person on the Company's share register be a nominee shareholder as at the record date, the report on the voting results shall be sent electronically (as a soft copy with an electronic signature) to the nominee shareholder. The nominee shareholder shall forward the report on the voting results received hereunder to the respective beneficial owner as and when prescribed by the applicable laws and regulations of the Russian Federation or the contract with the beneficial owner.

12.29. The minutes of the General Meeting of Shareholders shall be issued within three (3) business days after the meeting, in two counterparts. Both counterparts shall be signed by the Chair of the General Meeting of Shareholders and its Secretary.

12.30. Invalidation of resolutions adopted by the General Meeting of Shareholders on giving consent to or on the subsequent approval of major transactions as well as on giving consent to or on the subsequent approval of interested-party transactions, where such resolutions are appealed apart from challenging the respective transactions of the Company, shall not entail invalidation of such transactions. (*Subclause added by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017*).

### **Article 13. Board of Directors**

13.1. The Board of Directors shall be in charge of the overall management of the Company, except for the matters reserved for the General Meeting of Shareholders.

13.2. The number of Directors on the Board shall be established by the General Meeting of Shareholders according to the Federal Law *On Joint-Stock Companies*.

13.3. The Directors shall be appointed for a term starting from their election by the General Meeting of Shareholders until the next Annual General Meeting of Shareholders.

13.4. The General Meeting of Shareholders may resolve to remove all Directors from the Board prior to the expiry of their term of office.

13.5. In the event of early removal from office of the Directors, the powers of newly elected Directors shall be effective until the next Annual General Meeting of Shareholders

13.6. Members of the collective executive body of the Company (Management Board) may not exceed one fourth ( $\frac{1}{4}$ ) of the Board of Directors.

13.7. The Board of Directors shall be authorised to:

- (1) define the Company's strategy;
- (2) determine the priority areas of the Company's business;
- (3) convene annual and extraordinary General Meetings of Shareholders, except for cases set forth in paragraph 8 article 55 of the Federal Law *On Joint-Stock Companies*;
- (4) approve the agenda of the General Meetings of Shareholders;
- (5) set the record date for the General Meeting of Shareholders, and resolve on other matters reserved to the Board of Directors in accordance with chapter VII of the Federal Law *On Joint-Stock Companies* and pertaining to the preparation of the General Meeting of Shareholders;
- (6) increase the Company's authorised capital by offering additional shares funded out of the Company's assets;
- (7) increase the Company's authorised capital by offering, through an open subscription, additional shares within the number of authorised shares, except for the cases where the number of additionally offered ordinary shares exceeds twenty-five (25) per cent of the Company's outstanding ordinary shares;
- (8) offer the Company's bonds and other issue-grade securities, except for the shares;
- (9) determine the value of the Company's assets (in money terms), offering price and repurchase price for securities as prescribed by the Federal Law *On Joint-Stock Companies*;
- (10) advise on the amount of remuneration and compensation payable to the members of the Company's Review Committee (Review Officer) and set the remuneration of the auditor;
- (11) advise on the amount of dividends on shares and the dividend payout procedure;

- (12) use the Company's reserve and other funds;
- (13) approve the Company's by-laws, except for the by-laws subject to approval by the General Meeting of Shareholders as prescribed by the Federal Law *On Joint-Stock Companies*, and any other Company's by-laws subject to approval by its executive bodies as prescribed by this Charter;
- (14) consent to or subsequently approve transactions as prescribed by the Federal Law *On Joint-Stock Companies* and this Charter (*Subclause amended by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017*);
- (15) consent to or subsequently approve transactions indicated in article 17 hereof (*Subclause amended by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017*);
- (16) approve interested-party transactions as prescribed by the Federal Law *On Joint-Stock Companies* and this Charter;
- (17) elect the Chair of the Company's Board of Directors and remove them from office;
- (18) repurchase the Company's outstanding shares (except for the repurchase of a part of outstanding shares to reduce their total number);
- (19) elect the Company's sole executive body (Chief Executive Officer) and resolve on their early removal from office;
- (20) set up the Company's collective executive body (Management Board), establish the number of its members, elect such members and resolve on their early removal from office;
- (20) approve the Company's Registrar and terms of the agreement therewith, as well as terminating the agreement;
- (21) apply for the listing of the Company's shares and/or issue-grade securities convertible into shares;
- (22) approve resolutions on the issue (additional issue) of the Company's securities;
- (23) approve any transactions seeking to dispose of shares and interests held by the Company in the authorised capital of business entities whose operations include the production of phosphate rock, mineral fertilizers and/or aluminium fluoride, if the par value of disposable shares (interests) exceeds ten (10) per cent of the respective business entity's authorised capital;
- (24) establish branches and open representative offices of the Company;
- (25) approve the nominee for the corporate secretary role and remove them from office, approve the corporate secretary regulation, evaluate the corporate secretary's performance and approve their performance reports, as well as pay additional remuneration to the corporate secretary;
- (26) resolve on other matters as prescribed by the Federal Law *On Joint-Stock Companies* and this Charter.

13.8. Matters reserved to the Board of Directors shall not be referred to the executive bodies of the Company.

13.9. Resolutions of the Board of Directors shall be adopted by a simple majority of votes of the Directors present, except where more votes are required pursuant to the Federal Law *On Joint-Stock Companies* or this Charter.

Resolutions on matters listed in subclauses (6), (7) and (14) of clause 13.7 hereof shall be adopted unanimously by all Directors, save for former Directors of the Company.

Resolutions on matters listed below shall be adopted by a qualified majority of three-fourths ( $\frac{3}{4}$ ) of votes of the Directors present, except where more votes are required pursuant to the Federal Law *On Joint-Stock Companies* or this Charter:

- approving the priority areas of the Company's business;
- approving the Company's dividend policy;
- applying for the delisting of the Company's shares and/or securities convertible into shares;
- determining the price of the Company's material transactions and approving such transactions;
- presenting proposals to the General Meeting of Shareholders on the reorganisation or liquidation of the Company;

- presenting proposals to the General Meeting of Shareholders on increasing (decreasing) the Company's authorised capital, determining the value of assets (in money terms) contributed to pay for additional shares of the Company;
- presenting proposals to the General Meeting of Shareholders pertaining to amendments to this Charter (approval of the amended Charter), approving the Company's material transactions, delisting the Company's shares and/or securities convertible into shares;
- reviewing important matters related to operations of the Company's controlled entities;
- accepting recommendations with regard to a mandatory or voluntary offer for the Company's shares received by the Company;
- making recommendations on the amount of dividends payable on the Company's shares.

13.10. For the purpose of voting at a meeting of the Board of Directors, including absentee voting, every Director shall have one vote. In case of a tie vote at a meeting of the Board Directors, the Chair of the Board of Directors has a casting vote. No Director may transfer their voting rights to another person, including their transfer to another Director.

13.11. The Chair of the Board of Directors shall be elected (re-elected) and removed from office by a resolution adopted by a majority vote of all the Directors. The Board of Directors may at any time re-elect its Chair by a majority vote of all the Directors.

13.12. Meetings of the Board of Directors shall be convened by the Chair thereof at their sole discretion or at the request of the Company's Directors, Review Committee (Review Officer), auditor or executive bodies.

13.13. The Board of Directors meeting shall be qualified (quorate), if it is attended by at least one half of the total number of elected Directors. Written opinions submitted by the Directors absent from the meeting shall be counted in determining the quorum and in voting on agenda items. Meetings of the Board of Directors may also be held in the form of a telephone conference or a conference call.

13.14. Written opinions of the Directors who are going to be absent from the Board meeting shall be submitted to the Company and delivered to the Company's address specified in clause 2.4 hereof no later than the day preceding the day of the meeting. Written opinions of the Directors may be submitted by registered mail, e-mail, telegram, teletype or telefax. Resolutions to be adopted by the Board of Directors in cases where written opinions were submitted by absent Directors shall be determined by the Chair or the Secretary of the Board of Directors.

13.15. The Board of Directors shall have the right to adopt resolutions by absentee voting. In this case, instead of attending the meeting in person, the Directors shall submit their written opinions to be received by the Company no later than the date of the meeting held in the form of absentee voting.

13.16. The format of a Board meeting shall be determined with due regard to the importance of items on the agenda. The most important matters are normally resolved at meetings held in person (including through a telephone conference or a conference call). Such matters include, without limitation:

- approving the priority areas of the Company's business;
- convening the Annual General Meeting of Shareholders and adopting resolutions required to convene and hold the same, convening or refusing to convene the Extraordinary General Meeting of Shareholders;
- pre-approving the Company's annual reports;
- electing and re-electing the Chair of the Board of Directors;
- establishing executive bodies of the Company and resolving on their early removal from office;
- presenting to the General Meeting of Shareholders proposals on the reorganisation (including the determination of the conversion ratio for the Company's shares) or liquidation of the Company;
- approving the Company's material transactions;
- approving the Company's Registrar and terms of the agreement therewith, as well as terminating the agreement;
- presenting to the General Meeting of Shareholders proposals on the transfer of the powers of the

- Company's sole executive body to a management company or a manager;
- reviewing important matters related to operations of the Company's controlled entities;
  - matters related to a mandatory or voluntary offer for the Company's shares received by the Company;
  - matters related to the increase of the Company's authorised capital (including the determination of the value of assets (in money terms) contributed to pay for additional shares of the Company);
  - reviewing the Company's financial performance for the reporting period (quarter, year);
  - matters related to the listing and delisting of the Company's shares;
  - reviewing performance assessment results with regard to the Company's Board of Directors, executive bodies and key managers;
  - resolving on the remuneration payable to the Company's CEO, members of the Management Board and other key managers;
  - reviewing the Company's risk management policy;
  - approving the Company's dividend policy.

13.17. The Chair of the Board of Directors shall coordinate its activity, chair its meetings, make arrangements to keep minutes of the meetings of the Board of Directors and chair the General Meeting of Shareholders. If the Chair is absent from the Board meeting, the meeting shall be chaired by Deputy Chair or (as may be resolved by the Board) by another Director.

13.18. The Board of Directors shall keep minutes of its meetings. Minutes of the Board's meetings shall be issued within three (3) days after the meeting.

13.19. Minutes of the Board of Directors meeting shall specify:

- (1) time and venue of the meeting;
- (2) persons present at the meeting;
- (3) meeting agenda;
- (4) matters put to the vote, and results of such vote;
- (5) resolutions adopted.

13.20. Minutes of the Board of Directors meeting shall be signed by the person acting as its Chair. Written opinions submitted by the Directors absent from the meeting shall be attached to the minutes of the Board meeting.

13.21. The minutes of the Board meeting held in the form of absentee voting shall be made by the Chair or the Secretary of the Board and shall specify the following:

- (1) cut-off time for the submission of the Directors' written opinions;
- (2) list of Directors who submitted written opinions;
- (3) matters on the meeting agenda;
- (4) matters put to the vote, and results of such vote
- (5) resolutions adopted.

The said minutes shall be signed by the Chair of the Board of Directors (or if the Chair is absent, by another Director who chaired the last meeting where the Chair was absent). Written opinions submitted by the Company's Directors shall be attached to the said minutes.

13.22. The Company's Directors shall disclose any information on the Company's securities owned by them and on sale and/or purchase of the Company's securities.

13.23. Invalidation of the Board's of Directors resolutions on approving transactions subject to approval by the Board of Directors according to law or this Charter, where such resolutions are appealed apart from challenging the respective transactions of the Company, shall not entail invalidation of such transactions. *(Subclause added by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017).*

#### **Article 14. Executive bodies**

14.1. The day-to-day operations of the Company shall be managed by its sole executive body (Chief Executive Officer, CEO) and its collective executive body (Management Board).

14.2. Executive bodies shall report to the Board of Directors and the General Meeting of

Shareholders.

14.3. The CEO shall be responsible for all the matters related to management of the Company's day-to-day operations, except for the matters within the competence of other governing bodies of the Company in accordance with the applicable laws and/or this Charter. The Chief Executive Officer shall:

- (1) arrange and ensure implementation of the resolutions adopted by the General Meeting of Shareholders and the Board of Directors;
- (2) chair the Company's collective executive body (Management Board) and, in particular, organise the meetings of the Management Board, sign the minutes of its meetings, act on behalf of the Company without a power of attorney in accordance with the resolutions adopted by the Company's Management Board as per the scope of its competence;
- (3) act on behalf of the Company without a power of attorney and, in particular, represent the Company;
- (4) issue powers of attorney to act on behalf of the Company;
- (5) acting within the scope of its competence, enter into transactions on behalf of the Company in accordance with applicable laws, this Charter and the contract between the Company and the CEO;
- (6) open settlement, current and other Company's bank accounts and manage cash held therein;
- (7) approve the Company's organisational structure and staff list;
- (8) hire and dismiss the Company's employees and sign employment contracts on behalf of the Company as prescribed by the applicable laws and this Charter;
- (9) issue orders and give instructions binding on all employees of the Company;
- (10) approve regulations on the Company's business units and job descriptions for the Company's employees;
- (11) make resolutions for the Company to participate or terminate its participation in other entities (except for the entities listed in subclause (21) of clause 12.2 hereof);
- (12) approve the Company's by-laws (except for the by-laws subject to approval by the Company's other governing bodies as prescribed by the federal laws, other regulations or this Charter);
- (13) where necessary, approve (adopt) the Company's interim resolutions other than those subject to approval by the CEO as prescribed herein to be effective until the Company's competent bodies adopt a respective resolution;
- (14) perform other functions required for the day-to-day management of the Company other than those reserved to other governing bodies of the Company as prescribed herein.

14.4. The CEO shall be elected by the Board of Directors for a term of three (3) years. The Board of Directors may, at any time, remove the CEO from office prior to the end of their term of office and elect a new CEO.

14.5. The CEO may at its sole discretion resign before the end of their term of office and terminate the employment contract with the Company by giving a written notice to the Company at least one (1) month in advance,

14.6. The Company's General Meeting of Shareholders may resolve to delegate the powers vested in the Company's sole executive body (CEO) to a business entity (management company) or a sole proprietor (manager) under a contract.

14.7. The Management Board shall be authorised to:

- (1) approve the Company's annual and quarterly income and expenditure estimates (budgets) and make amendments thereto;
- (2) define the Company's investment policy and new areas of the Company's business;
- (3) decide on effecting, changing or terminating a transaction or a series of related transactions involving the disposal or potential disposal by the Company of the securities and interests held in the authorised capital of business entities, where their carrying amount exceeds twenty (20) per cent of the carrying amount of the Company's assets as per its accounting statements as at the last reporting date;

- (4) ensure the preparation of the Company's operating and financial reports and their submission to the Board of Directors;
- (5) approve the Company's bonus regulations and other internal regulations defining its incentive and remuneration frameworks;
- (6) decide on holding anniversary and commemorative celebrations and awarding employees of the Company and its subsidiaries;
- (7) elect the Secretary of the Management Board and remove them from office.

14.8. The number of members of the Management Board shall be established by the Company's Board of Directors.

14.9. Members of the Management Board shall be appointed by the Company's Board of Directors for a term of one (1) year.

14.10. The Board of Directors may, at any time, terminate the powers of the Management Board before the end of their term of appointment and appoint a new Management Board. A member of the Company's Management Board may resign, at their sole discretion, by giving a written notice to the Chair of the Management Board at least two (2) weeks in advance.

14.11. Should the number of the Management Board members become insufficient to constitute a quorum for the Management Board meeting, the Board of Directors shall resolve on appointing a new Management Board.

14.12. For the purpose of voting at a meeting of the Management Board, every member of the Management Board shall have one vote. In case of a tie vote at a meeting of the Management Board, the Chair thereof has a casting vote. No member of the Management Board may transfer their voting rights to another person, including their transfer to another member.

14.13. Meetings of the Management Board shall be convened by the Chair thereof at its sole discretion or at the request of a member of the Company's Management Board, Review Committee (Review Officer) or auditor.

14.14. The Management Board meeting is qualified (quorate), if it is attended by at least one half of the total number of elected members. Written opinions of the members absent from the Management Board meeting submitted to the Chair of the Management Board prior to the opening of the meeting shall be counted in determining the quorum and in voting on agenda items. Written opinions of the Management Board members may be submitted by registered mail, e-mail or telefax. Resolutions to be adopted by the Management Board in cases where written opinions were submitted by absent members shall be determined by the Chair of the Management Board. The Management Board may adopt resolutions without holding a meeting (in the form of joint presence of its members to discuss the agenda items and pass resolutions on matters put to the vote) by means of absentee voting where the Management Board members submit their written opinions. Meetings of the Management Board may also be held in the form of a telephone conference or a conference call.

14.15. The Chair of the Management Board shall:

- (1) manage the activity of the Management Board;
- (2) chair the Management Board meetings;
- (3) make arrangements to keep minutes of the Management Board meetings.

If the Chair is absent from the Management Board meeting, the meeting shall be chaired by the Deputy Chair elected by a majority vote of all the Management Board members or, if the Deputy Chair is also absent, by another member of the Management Board elected to chair the meeting by a majority vote of all the members present at the meeting.

14.16. The Management Board shall keep minutes of its meetings. Minutes of the Management Board meetings shall be issued within three (3) business days after the meeting.

14.17. Minutes of the Management Board meeting shall specify:

- (1) venue and time of the meeting;
- (2) format of the meeting (joint presence, telephone conference, conference call or absentee voting);
- (3) persons participating in the meeting;



- (4) meeting agenda;
- (5) matters put to the vote, and results of such vote;
- (6) resolutions adopted.

14.18. Minutes of the Management Board meeting shall be signed by the person acting as its Chair. Minutes of the Management Board meeting shall be submitted to the Company's Directors, Review Committee (Review Officer) and auditor at their request.

14.19. The Company's CEO and members of the Management Board may hold executive positions at other organisations only subject to approval by the Company's Board of Directors.

14.20. The rights and obligations of the Company's CEO and members of the Management Board shall be established by the applicable laws, this Charter, the Company's by-laws and individual contracts between the CEO / Management Board members and the Company. On behalf of the Company, such contracts shall be signed by the Chair of the Board of Directors or a person duly authorised by the Board of Directors.

14.21. The Company's CEO and the Management Board members shall disclose any information on the Company's securities owned by them and on their sale and/or purchase.

### **Article 15. Repurchase of outstanding shares**

15.1. The Company may repurchase its outstanding shares upon a resolution of the General Meeting of Shareholders to decrease the authorised capital of the Company through repurchase of part of the outstanding shares to reduce their total number.

15.2. The Company may repurchase its outstanding shares upon a resolution of the General Meeting of Shareholders or the Board of Directors of the Company.

15.3. The Company's outstanding shares shall be repurchased in the manner prescribed by the applicable laws.

15.4. The repurchased shares shall be paid for in cash or assets as may be determined by the General Meeting of Shareholders or the Board of Directors when adopting the resolution to repurchase the Company's outstanding shares.

### **Article 16. Major transactions** *(Article 16 amended by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017).*

16.1. A major transaction shall be understood to mean a transaction (or several interrelated transactions) beyond the normal scope of business and:

1) involving acquisition, direct or indirect disposal or potential disposal by the Company of assets (including loans and other borrowings, pledge, surety, acquisition of such amount of shares or other issue-grade securities convertible into shares of a public company, which shall entail the Company's obligation to make a mandatory offer under Section XI.1 of the Federal Law *On Joint-Stock Companies*) with the price or carrying amount equal to or in excess of twenty-five (25) per cent of the carrying amount of the Company's assets determined based on the Company's accounting (financial) statements as at the last reporting date;

2) providing for the Company's obligation to assign the assets for temporary possession and (or) use or to entitle a third party to apply intellectual property or means of identification under a license, in case their carrying amount is equal to or in excess of twenty-five (25) per cent of the carrying amount of the Company's assets determined based on the Company's accounting (financial) statements as at the last reporting date.

16.1.1. In case of disposal or potential disposal of assets, one of the two amounts – whether the carrying amount of such assets or the price of disposal, whichever is the greater, shall be compared against the carrying amount of the Company's assets. In case of purchase of assets, the purchase price of such assets shall be compared against the carrying amount of the Company's assets.

In case of assigning assets for temporary possession and (or) use, the carrying amount of the assets to be assigned for temporary possession and (or) use shall be compared against the carrying amount of the Company's assets.

In case the Company performs a transaction or several interrelated transactions for acquisition of shares or other issue-grade securities convertible into shares of a public company, which shall entail the Company's obligation to purchase shares or other issue-grade securities convertible into shares of a public company, under Section XI.1 of the Federal Law *On Joint-Stock Companies*, the price of all shares or other issue-grade securities convertible into shares, which may be purchased by the Company in such transactions, according to Section XI.1 of the Federal Law *On Joint-Stock Companies*, shall be compared against the carrying amount of the Company's assets.

16.2. For the purpose of a resolution on giving consent to a major transaction to be adopted by the General Meeting of Shareholders, the price of the assets or of the rights to intellectual property, which are the subject matter of such major transaction, shall be determined by the Board of Directors in accordance with article 77 of the Federal Law *On Joint-Stock Companies*.

The Board of Directors shall approve the opinion on a major transaction, comprising, among other things, information on the supposed effect of the major transaction on the Company's activities as well as the assessment of such transaction feasibility. The opinion on a major transaction shall be included in the information (materials) provided to the shareholders while preparing for the General Meeting of Shareholders of the Company, where the issue of giving consent to a major transaction or of approving a major transaction shall be considered.

16.3. For the purposes of this Charter, the Company's transactions within the normal scope of business shall mean any transactions made in the course of the Company's activities, irrespective of whether the Company has made such transactions before, in case such transactions do not result in the Company's winding up or changing its core business, or material changes in the scope of its business.

16.4. The Company's Board of Directors or the General Meeting of Shareholders shall give consent to a major transaction, as stipulated by this article.

16.5. A resolution on giving consent to or on subsequent approval of a major transaction with assets whose value is twenty-five (25) to fifty (50) per cent of the carrying amount of the Company's assets shall be passed unanimously by all Directors, save for former Directors of the Company.

Should there be no unanimous opinion of the Company's Board of Directors as to giving consent to or subsequent approval of a major transaction, the Board of Directors shall have the right to escalate the issue of giving consent to or subsequent approval of a major transaction to the General Meeting of Shareholders. In such case the resolution on giving consent to or on subsequent approval of a major transaction shall be adopted by a majority vote of shareholders holding voting shares of the Company and attending the General Meeting of Shareholders.

16.6. A resolution on giving consent to or on subsequent approval of a major transaction with assets whose value exceeds fifty (50) per cent of the carrying amount of the Company's assets shall be passed by three quarters of the holders of voting shares attending the General Meeting of Shareholders.

16.7. Adopting resolutions on giving consent to or on subsequent approval of a major transaction with assets whose value exceeds fifty (50) per cent of the carrying amount of the Company's assets determined based on the Company's accounting (financial) statements as at the last reporting date, shall fall within the exclusive competence of the General Meeting of Shareholders.

A resolution on giving consent to or on subsequent approval of a major transaction shall indicate the person (persons), being the party (parties) to such transaction, its beneficiary (beneficiaries), price, subject matter and other material terms as well as the procedure for determining such terms. A resolution on giving consent to a major transaction may not indicate the party to the transaction and the beneficiary, in case such transaction is made by tender as well as in other circumstances, where the party to the transaction and the beneficiary may not be determined by the time consent to such transaction is given.

A resolution on giving consent to a major transaction may also indicate the minimum and maximum criteria of the transaction terms (the upper limit of the assets' purchase price and the

minimum level of the sale price) or the procedure for determining such terms, consent to performing several similar transactions, alternative terms of such transaction, which requires consent to its performance, as well as the consent to perform a major transaction in case of making several simultaneous transactions.

A resolution on giving consent to a major transaction may indicate the validity period of such resolution. If the validity period is not indicated, the consent shall be deemed valid within one (1) year from the date when such consent was given, except for cases where another period follows from the essence and terms and conditions of the agreed major transaction, or from the circumstances under which the consent to it was given.

A major transaction may be performed subject to its subsequent approval under the procedure stipulated by the Federal Law *On Joint-Stock Companies*.

16.8. In case a major transaction with assets whose value exceeds fifty (50) per cent of the carrying amount of the Company's assets determined based on the Company's accounting (financial) statements as at the last reporting date, is also an interested-party transaction, and under the Federal Law *On Joint-Stock Companies* and this Charter, the issue of giving consent to the major transaction has been included in the agenda of the General Meeting of Shareholders (section XI of the Federal Law *On Joint-Stock Companies* and article 17 hereof), the resolution on giving consent to the major transaction shall be deemed adopted, in case as many votes as required under clause 12.6. hereof, as well as the majority vote of all holders of voting shares disinterested in the transaction and attending the General Meeting of Shareholders, have been given for such resolution. In case a major transaction with assets whose value is twenty-five (25) to fifty (50) per cent of the carrying amount of the Company's assets determined based on the Company's accounting (financial) statements as at the last reporting date, is also an interested-party transaction, and under the Federal Law *On Joint-Stock Companies* and this Charter, the issue of giving consent to the major transaction has been included in the agenda of the General Meeting of Shareholders (section XI of the Federal Law *On Joint-Stock Companies* and article 17 hereof), the resolution on giving consent to the major transaction shall be adopted under the procedure stipulated by article 17 hereof.

16.9. A major transaction made in contravention of the procedure for receiving consent to its performance may be invalidated (article 173.1 of the Russian Civil Code) following a lawsuit filed by the Company, a member of the Company's Board of Directors or its shareholders (shareholder), holding in total at least one (1) per cent of the Company's voting shares. In case the limitation period of a claim for a major transaction invalidation is omitted, it shall not be reset.

16.9.1. The Court shall reject the claim of invalidation of a major transaction, performed without due consent to its performance, if at least one of the following circumstances is available:

- 1) evidence of the subsequent approval of such transaction had been filed by the time the legal proceedings started;
- 2) it has not been proved in court that the other party to the transaction knew or ought to have known that the transaction was a major transaction for the Company, and (or) that due consent to its performance was not given.

16.10. The provisions of this article shall not apply to cases (transactions, relations), stipulated by clause 3 of article 78 of the Federal Law *On Joint-Stock Companies*.

**Article 17. Interested-party transactions** (*Article 17 amended by Resolution of the General Meeting of Shareholders (Minutes of the Extraordinary General Meeting of Shareholders dd. 19 January 2017), Amendments registered on 02 February 2017*).

17.1. An interested-party transaction shall be understood to mean a transaction involving interest of a member of the Company's Board of Directors, the sole executive body of the Company (Chief Executive Officer), a member of the collective executive body of the Company (Management Board) or a person controlling the Company, or a person authorized to give binding instructions to the Company.

Such persons are classed as interested parties if they, their spouse, parents, children, full- or half-

siblings, adoptive parents or adoptive children and/or individuals (companies) under their control: are a party to or a beneficiary, intermediary or representative in the transaction;  
are a person controlling the legal entity, which is a party to or a beneficiary, intermediary or representative in the transaction;  
hold positions in governing bodies of a legal entity acting as a party to or a beneficiary, intermediary or representative in the transaction, or positions in governing bodies of a management company of such a legal entity.

For the purposes of this article a controlling person shall be understood to mean a person entitled to dispose directly or indirectly (through persons under his control) of more than fifty (50) per cent of votes in the supreme governing body of the controlled company by virtue of participation in the controlled company and (or) under a trust agreement, and (or) a partnership agreement, and (or) an instruction, and (or) a shareholder's agreement, and (or) another agreement which the subject matter is implementation of rights attached to shares of (interest in) the controlled company, or a person entitled to appoint (elect) the sole executive body and (or) more than fifty (50) per cent of members of the controlled company's collective executive body. A controlled person (company) shall be understood to mean a legal entity under direct or indirect control of a controlling person.

17.1.1. The Company shall notify of an interested-party transaction by e-mail the Company's Directors and the members of the collective executive body of the Company (Management Board). In case such transaction involves interest of all Directors, the Company shall notify thereof the shareholders under the procedure provided for notices regarding holding General Meetings of Shareholders.

The notice shall be sent at least five (5) days prior to the date of the interested-party transaction, and it shall indicate the party (parties) to such transaction, its beneficiary (beneficiaries), price, subject matter and other material terms as well as the procedure for determining such terms, and also the person (persons) interested in the transaction and the grounds under which the interested party (each interested party) is classed as an interested party.

While preparing for the Annual General Meeting of Shareholders, a report on the interested-party transactions made by the Company in the financial year shall be submitted to the persons entitled to take part in the Company's Annual General Meeting of Shareholders. Such report shall be signed by the sole executive body of the Company (Chief Executive Officer) and shall be approved by the Company's Board of Directors. Accuracy of information contained in such report shall be confirmed by the Company's Review Committee (Review Officer).

17.2. The persons listed in paragraph 1 of clause 17.1 hereof are required to inform the Company within two (2) months from the date when they became or should have become aware of circumstances under which they may be classed as interested parties, about the following:

- (1) legal entities controlled or instructed by their spouse, parents, children, full- or half-siblings, adoptive parents or adoptive children and/or companies under their control;
- (2) legal entities where their spouse, parents, children, full- or half-siblings, adoptive parents or adoptive children and/or individuals under their control hold positions in governing bodies;
- (3) the existing or contemplated transactions they are aware of in which they could be deemed interested.

17.3. In case of any changes in information indicated in subclauses 1 and 2 of clause 17.2. hereof, after the Company has received the notice stipulated by clause 17.2 hereof the persons listed in paragraph one of clause 17.1. hereof shall notify the Company about such changes within fourteen (14) days from the date when they became or should have become aware of the changes.

17.4. The Company shall inform the Company's Board of Directors, the Review Committee (Review Officer) and the Company's auditor at his request about the data included in the notices, stipulated by clauses 17.2 and 17.3 hereof which they have received.

17.5. An interested-party transaction does not require obligatory prior consent to be performed. An interested-party transaction may be given consent to prior to its performance by the Board of Directors or the General Meeting of Shareholders according to this article at request of the sole executive body of the Company (Chief Executive Officer), a member of the collective executive

body of the Company (Management Board), a member of the Company's Board of Directors or a shareholder (shareholders) holding in total at least one (1) per cent of the Company's voting shares. The request to hold the General Meeting of Shareholders or a meeting of the Company's Board of Directors for considering the issue of giving consent to an interested-party transaction shall be sent and considered as stipulated by article 55 of the Federal Law *On Joint-Stock Companies*. The Company's Board of Directors may reject the request to hold the General Meeting of Shareholders or a meeting of the Company's Board of Directors on the grounds indicated in article 55 of the Federal Law *On Joint-Stock Companies*, as well as in case a resolution on giving or denying consent to the respective transaction has been passed by the time the request is considered. Subsequent request may be filed no earlier than in three (3) months.

17.6. In circumstances indicated in clause 17.5 hereof, the resolution on giving consent to an interested-party transaction shall be passed by the Company's Board of Directors, by a majority vote of disinterested members, who are not and during one (1) year preceding the resolution have not been:

- 1) a person acting as the sole executive body of the Company, including the Company's manager, a member of the collective executive body of the Company (Management Board), a person holding positions in the governing bodies of the Company's management company;
- 2) a person whose spouse, parents, children, full- or half-siblings, adoptive parents or adoptive children are persons holding positions in the governing bodies of the Company's management company or one of them is a person performing the functions of the Company's manager;
- 3) a person controlling the Company or the management company (manager), which has received the functions of the Company's sole executive body or a person entitled to give instructions to the Company.

17.6.1. In case the number of disinterested Directors who meet the requirements set by clause 17.6 hereof becomes less than two (2), such transaction shall require consent of the General Meeting of Shareholders for its performance, under the procedure stipulated by clause 17.7 hereof.

17.7. The resolution on giving consent to an interested-party transaction shall be adopted by the General Meeting of Shareholders, by a majority vote of all holders of the Company's voting shares disinterested in the transaction and participating in the voting, in the following cases:

if the subject matter of the transaction or several interrelated transactions are assets, which the price (the offer price of the assets to be purchased) is equal to or in excess of ten (10) per cent of the carrying amount of the Company's assets determined based on the Company's accounting (financial) statements as at the last reporting date, except for transactions, indicated in paragraphs three and four of this clause;

if the transaction or several interrelated transactions seek to sell ordinary shares comprising more than two (2) per cent of the ordinary shares previously placed by the Company and the ordinary shares into which previously placed convertible issue-grade securities may be converted;

if the transaction or several interrelated transactions seek to sell privileged shares comprising more than two (2) per cent of the shares previously placed by the Company and the shares into which previously placed convertible issue-grade securities may be converted.

17.8. If all shareholders holding the Company's voting shares are classed as interested parties in a transaction which requires consent for its performance according to clause 17.7. hereof, and where another person (other persons) is (are) interested in such transaction, as stipulated by clause 17.1 hereof, the consent to such transaction shall be given by a majority vote of holders of the Company's voting shares participating in the voting.

17.9. Resolutions on giving consent to interested-party transactions shall be regulated by the rules indicated in clause 16.7 hereof. Besides, a resolution on giving consent to a transaction shall indicate the person (persons) interested in the transaction, the grounds on which a person (each of the persons) interested in the transaction is classed as an interested party.

17.10. For the purpose of a resolution to be adopted by the Board of Directors or the General Meeting of Shareholders to approve an interested-party transaction, the price of the assets or services to be disposed of or purchased shall be determined by the Board of Directors in

accordance with article 77 of the Federal Law *On Joint-Stock Companies*.

17.11. In case an interested-party transaction is made without consent to its performance, a member of the Company's Board of Directors or its shareholders (shareholder) holding in total at least one (1) per cent of the Company's voting shares, shall be entitled to apply to the Company with request to provide to him information on the transaction, including the documents or other data, confirming that the transaction does not violate the Company's interests (and among other things it has been made on conditions which are not different in material aspects from the market conditions). Such information shall be provided to the person who has requested it within the term not exceeding twenty (20) days from the date when such request was received.

An interested-party transaction may be invalidated (clause 2 of article 174 of the Civil Code of the Russian Federation) following a lawsuit filed by the Company, a member of the Company's Board of Directors or its shareholders (shareholder) holding in total at least one (1) per cent of the Company's voting shares, if it has been made to the detriment of the Company, and it has been proved that the other party to the transaction knew or ought to have known that the transaction was an interested-party transaction for the Company and (or) that there was no consent to it. The mere fact of consent absence shall not be deemed as the ground for such transaction invalidation.

In case the limitation period of a claim for an interested-party transaction invalidation is omitted, it shall not be reset.

17.11.1. An interested-party transaction is deemed detrimental to the Company, unless the contrary is proved, in case all the conditions stated below are met:

- 1) there is no consent to the transaction or its subsequent approval;
- 2) the person who filed an action for the transaction invalidation was not provided at his request with information regarding the challenged transaction, according to clause 17.11 hereof.

17.12. Following a lawsuit filed by the Company or its shareholder an interested party shall be liable to the Company to the extent of the losses caused by the interested party to the Company, irrespective of whether the transaction has been invalidated or not. Should there be several liable persons, their liability to the Company shall be joint and several.

17.13. In case as of the date of the interested-party transaction the person indicated in paragraph one of clause 17.1 hereof has not performed his obligation to notify the Company on circumstances, under which such person may be classed as an interested party, according to clauses 17.2 and 17.3 hereof, such person shall be deemed liable for the losses incurred by the Company.

17.14. The provisions of this article shall not apply to cases (transactions, relations), stipulated by clause 2 of article 81 of the Federal Law *On Joint-Stock Companies*.

17.2. Transactions (including loans and other borrowings, pledge, or surety) involving interest of a Director of the Company, a person acting as the sole executive body of the Company, a member of the collective executive body of the Company (Management Board) or a shareholder holding together with its affiliated parties twenty (20) or more per cent of the voting shares or a person authorised to give binding instructions to the Company, shall be made by the Company in accordance with this article 17.

17.3. The persons listed in clause 17.1 above are classed as interested parties if they, their spouse, parents, children, full- or half-siblings, adoptive parents or adoptive children and/or their affiliated parties:

- (1) are a party to or a beneficiary, intermediary or representative in the transaction;
- (2) hold (each separately or collectively) twenty (20) or more per cent of shares or interest (units) in a legal entity acting as a party to or a beneficiary, intermediary or representative in the transaction; or
- (3) hold positions in governing bodies of a legal entity acting as a party to or a beneficiary, intermediary or representative in the transaction, or positions in governing bodies of a management company of such a legal entity.

17.4. Article 17 shall not apply:

- (1) to transactions in which all of the Company's shareholders are interested;
- (2) in case of exercise of a pre-emptive right to acquire shares and issue-grade securities

convertible into shares offered by the Company and in case of an open subscription offering of non-convertible bonds;

(3) in case of purchase and repurchase by the Company of its shares or bonds;

(4) in case of reorganisation through merger or consolidation;

(5) in other cases listed in the Federal Law *On Joint-Stock Companies*.

17.5. The persons listed in clause 17.1 above are required to inform the Board of Directors, the Review Committee (Review Officer) and Auditor of the Company about the following:

(1) their interest of at least twenty (20) per cent of voting shares or interest in legal entities, held alone or together with their affiliated parties;

(2) positions held in governing bodies of other legal entities;

(3) the existing or contemplated transactions they are aware of in which they could be deemed interested.

17.6. If there are one thousand (1,000) or less shareholders holding voting shares of the Company, the resolution to approve an interested-party transaction shall be passed by a majority of votes of the Directors excluding those being such interested parties. If the number of disinterested Directors is less than the quorum required by this Charter for holding a Board of Directors' meeting, this matter shall be resolved by the General Meeting of Shareholders. If there are more than one thousand (1,000) shareholders holding voting shares of the Company, the resolution to approve an interested-party transaction shall be passed by a majority of votes of independent Directors excluding those being such interested parties. If all of the Company's Directors are classed as interested parties and/or are not independent Directors, the transaction may be approved by a resolution of the General Meeting of Shareholders.

A resolution on the approval of an interested-party transaction shall be passed at a General Meeting of Shareholders by a simple majority of votes of all disinterested shareholders holding voting shares of the Company in the following events:

(1) if the value of the assets involved in the transaction or several interrelated transactions (or the price offered for the assets to be acquired) is two (2) or more per cent of the carrying amount of the Company's assets based on the Company's accounting (financial) statements as at the last reporting date, save for transactions listed in subclauses (2) and (3) below;

(2) if the transaction or several interrelated transactions seek to offer by subscription or to sell shares comprising more than two (2) per cent of the ordinary shares previously placed by the Company and the ordinary shares into which previously placed convertible issue-grade securities may be converted;

(3) if the transaction or several interrelated transactions seek to offer by subscription convertible issue-grade securities which may be converted into ordinary shares, comprising more than two (2) per cent of the ordinary shares previously placed by the Company and the ordinary shares into which previously placed convertible issue-grade securities may be converted.

17.7. An interested-party transaction does not require approval from the General Meeting of Shareholders if the terms and conditions of this transaction are not materially different from similar transactions made by and between the Company and the interested party in the ordinary course of business conducted prior to the interested party being classed as such. This exception applies only to interested-party transactions made during the period starting from when the interested party was classed as such and until the next Annual General Meeting of Shareholders is held.

17.8. A resolution on the approval of an interested-party transaction shall indicate the persons being the parties to such transaction, its beneficiaries, price, subject matter and other material terms.

17.9. The General Meeting of Shareholders may adopt a resolution to approve a transaction between the Company and an interested party which may be made in the future in the ordinary course of the Company's business. This resolution shall specify the maximum amount of such transaction and shall be valid until the next Annual General Meeting of Shareholders.

17.10. For the purpose of a resolution to be adopted by the Board of Directors or General Meeting of Shareholders to approve an interested-party transaction, the price of the assets or

services to be disposed of or purchased shall be determined by the Board of Directors in accordance with article 77 of the Federal Law *On Joint-Stock Companies*.

17.11. Interested-party transactions made in contravention of the Federal Law *On Joint-Stock Companies* may be invalidated following a lawsuit filed by the Company or its shareholder. An interested party shall be liable to the Company to the extent of the losses caused to the Company. Should there be several liable persons, their liability to the Company shall be joint and several.

#### **Article 18. Review Committee (Review Officer)**

18.1. The Company's Review Committee (Review Officer) shall be elected by the General Meeting of Shareholders in accordance with this Charter to exercise control over the financial and business operations of the Company. The rules of procedure of the Review Committee (Review Officer) shall be described in the Regulations of the Review Committee (Review Officer) approved by the General Meeting of Shareholders.

18.2. The Review Committee (Review Officer) shall be elected by the General Meeting of Shareholders for the period until the next Annual General Meeting of Shareholders. The Review Committee shall include three members.

18.3. Individual members of or the entire Review Committee may be removed from office early by resolution of the General Meeting of Shareholders.

18.4. When the number of members of the Review Committee becomes less than two (2) persons, the Board of Directors is required to convene an Extraordinary General Meeting of Shareholders to elect new members to the Review Committee. The remaining, previously elected, members of the Review Committee shall continue to serve as such until new members of the Review Committee are elected by the General Meeting of Shareholders. In case of early removal from office of the elected members of the Review Committee and election of its new members, the powers of newly elected members shall be in effect until the next Annual General Meeting of Shareholders.

18.5. The audit (review) of the Company's financial and business operations shall be performed based on the Company's year-end results. The audit (review) of the Company's financial and business operations may also be performed at any time:

- (1) at the discretion of the Review Committee (Review Officer);
- (2) by resolution of the General Meeting of Shareholders;
- (3) by resolution of the Board of Directors of the Company;
- (4) at the request of shareholders (a shareholder) holding collectively at least ten (10) per cent of the voting shares of the Company.

18.6. At the request of the Review Committee (Review Officer), officers holding positions in the Company's governing bodies shall provide the documents pertaining to the Company's financial and business operations.

18.7. Upon completion of the audit of the Company's financial and business operations, the Review Committee (Review Officer) shall issue an opinion comprising:

- the confirmation of accuracy of information contained in the Company's reports and other financial documents;
- information on deviations from accounting and financial reporting rules set by the Russian regulations, as well as from other Russian regulations, made in the course of financial and business operations;

#### **Article 19. Books and records. Auditor**

19.1. The Company shall keep books and records and file accounting (financial) statements as prescribed by the Federal Law *On Joint-Stock Companies* and other Russian laws and regulations.

19.2. The sole executive body of the Company (Chief Executive Officer) shall be responsible for arranging for and ensuring accuracy of accounts, and timely filing of the Company's accounting (financial) statements to the relevant authorities and disclosure of information on the Company's operations to the shareholders, lenders and mass media, as required by the Federal



Law On Joint-Stock Companies, other Russian laws and regulations and this Charter.

19.3. The accuracy of data contained in the Company's annual report and annual accounting (financial) statements shall be verified by the Review Committee (Review Officer) of the Company.

19.4. The Company is obliged to engage an auditor having no common property interests with the Company or its shareholders, to conduct an audit of the Company's annual accounting (financial) statements.

19.5. The auditor (an individual person or an audit firm) shall audit the financial and business operations of the Company in compliance with the laws and regulations of the Russian Federation and the agreement signed with the Company.

19.6. The Company's auditor shall be approved by the General Meeting of Shareholders. The auditor's fee shall be established by the Company's Board of Directors.

19.7. The audit of the financial and business operations of the Company shall be performed upon the request of shareholders (a shareholder) holding collectively at least ten (10) per cent of the authorised capital of the Company. Audit requests shall be sent to the Company's Board of Directors.

19.8. Within five (5) days of receiving an audit request, the Board of Directors shall either make a decision to conduct the audit or issue a reasonable refusal to conduct the same. Should a decision be made to conduct the audit, its scope and timing shall be determined by the Company's Board of Directors. The resolution of the Board of Directors shall be communicated to the shareholders (a shareholder) requesting the audit within three (3) days of adopting such resolution.

19.9. Upon completion of the audit of the financial and business operations of the Company, the auditor shall issue an opinion comprising:

- the confirmation of accuracy of information contained in the Company's reports and other financial documents;
- information on deviations from accounting and financial reporting rules set by the Russian regulations, as well as from other Russian regulations, made in the course of financial and business operations.

#### **Article 20. Confidential information**

20.1. A list of information items comprising confidential information and confidentiality enforcement arrangements shall be established by the Company's Board of Directors in accordance with the applicable laws.

20.2. The information items that cannot be treated as confidential shall be determined in accordance with the applicable laws. The information contained in this Charter is not confidential.

#### **Article 21. Material corporate actions**

21.1. Material corporate actions include:

- reorganisation of the Company;
- acquisition of at least 30% of the Company's voting shares;
- material transactions made by the Company;
- increase or reduction of the Company's authorised capital;
- listing and delisting of the Company's shares.

21.2. Material transactions made by the Company include:

- major transactions;
- interested-party transactions which are material for the Company, with the materiality of a transaction to be determined by the Board of Directors based on its subject, price and other terms;
- any transactions seeking to dispose of shares and interests held by the Company in the authorised capital of business entities whose operations include production of phosphate rock, mineral fertilizers and/or aluminium fluoride, if the par value of disposable shares (interests) exceeds ten (10) per cent of the respective business entity's authorised capital.

21.3. Details of the corporate procedures related to material corporate actions shall be set out in the Company's internal regulations.

## **Article 22. Reorganisation and liquidation of the Company**

22.1. The Company may opt for voluntary liquidation subject to a resolution of the General Meeting of Shareholders in the manner prescribed by the Federal Law *On Joint-Stock Companies*. Other grounds and procedure for reorganisation shall be as determined by the Civil Code of the Russian Federation and other federal laws.

22.2. The Company may be reorganised through merger, consolidation, division, spin-off, or transformation completed as prescribed by the applicable laws of the Russian Federation.

22.3. The Company may be reorganised through a combination of different reorganisation types specified in clause 22.2 hereof.

22.4. The Company may be subject to voluntary liquidation in the manner prescribed by the Civil Code of the Russian Federation, with due account for the requirements hereof and the Federal Law *On Joint-Stock Companies*. The Company may also be liquidated upon a court order on the grounds provided by the Civil Code of the Russian Federation.

The Company shall make a decision on its liquidation where so prescribed by the applicable laws.