

**APPROVED**

by the extraordinary General meeting of shareholders  
of Open Joint-Stock Company "Synergy".  
Minutes No. 9 of October 22, 2007

***REGULATIONS***  
*On the Board of Directors of*  
*Open Joint-Stock Company*  
***"Synergy"***

Moscow  
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## 1. GENERAL PROVISIONS

### Article 1. Statement on the Board of Directors

1. Pursuant to the Civil Code of the Russian Federation, the Federal Law of the Russian Federation of December 12, 1995 No. 208-FZ "On joint-stock companies" (hereinafter – “the Federal law “On joint-stock companies”), other laws and regulations of the Russian Federation and the Articles of association of Open joint-stock company "Synergy" (hereinafter - "the Company" or “OJSC “Synergy”), these regulations set the timeline and procedure of convocation and conducting meetings of the Board of Directors of the Company (hereinafter - "the Board of Directors"), as well as the decision-making procedure, the rights and obligations of members of the Board of Directors, and other issues related to the activities of the Board of Directors.

### Article 2. Terms and definitions

The terms and definitions used in these regulations have the same meanings as those in the legislation of the Russian Federation on joint-stock companies and stock, if no otherwise provision is made in these regulations.

The following terms and definitions shall be used for the purposes of these regulations:

**"executive officers"** – persons performing organizational and administrative functions in the Company;

**"absentee voting"** – a decision-making method where members of the Board of Directors vote using voting ballots without their joint presence.

**"executive member of the Board of Directors (executive director)"** – a member of the Board of Directors who is an executive officer of the Company including a member of the collegial executive body (managing board);

**"confidentiality"** – non-disclosure to third parties of information about the Company and its activities in the scope permitted by the legislation of the Russian Federation;

**"loyalty"** – attitude of the Board of Directors to the Company, when the member of the Board of Directors abstains from using its authority to the detriment of the Company;

**"independent member of the Board of Directors (independent director)"** – a member of the Board of Directors who:

- was not at the moment of election and during one year preceding to election, and is not an executive officer or employee of the Company;
- is not an executive officer of another company, where any of the Company's executive officers is a member of the Nomination (personnel) and Remuneration committee of the Board of Directors;
- is not a related person of an executive officer of the Company;
- is not a related person of the Company excluding such relation as membership in the Board of Directors, or a related person of such related persons;
- is not a party to obligations with the Company, in accordance with which he can purchase the property (obtain monetary assets) the value of which is 10 or more percent of his total annual income, besides the remuneration for participation in the activities of the Board of Directors;

is not a major contracting party to the Company (a contracting party, whose total annual volume of transactions with the Company is 10 or more percent of the balance value of the Company's assets);

is not a representative of the State.

After 7 years of service as member of the Board of Directors, an independent director can no longer be regarded as independent.

**"employee"** – a person engaged in labor relationships with the Company;

**"the Board of Directors"** – the Company's collegial governing body consisting of individuals elected by the General meeting of shareholders of the Company (hereinafter - "the General meeting of shareholders") that performs general governing of the Company's activities within the competency defined by the legislation of the Russian Federation and the Articles of association of the Company.

### **Article 3. Objectives and principles of the activities of the Board of Directors**

1. The objectives of the activities of the Board of Directors are obtaining the maximum profit and increasing the Company's assets, protection of the rights and legitimate interests of shareholders, performing permanent control over the executive bodies of the Company, ensuring provision of complete, credible and objective public information on the Company.

2. In order to achieve these objectives, the Board of Directors must keep to the following principles:

decision-making based on credible information on the activities of the Company;

exclusion of limitations of the rights of shareholders to participate in the governing of the Company and obtain information on the Company, as provided for in the legislation of the Russian Federation;

reaching a balance of interests of various shareholder groups and making utmost objective decisions by the Board of Directors in the interests of all of the shareholders of the Company.

### **Article 4. Functions of the activities of the Board of Directors**

1. In order to achieve the objectives of its activities, the Board of Directors performs the following functions, among others, within its competency:

defines the development strategy of the Company;

approves the plans of financial and economic activities of the Company;

estimates political, financial and other risks affecting the Company's activities;

ensures effective control over the financial and economic activities of the Company;

estimates the results of activities of the Company and its bodies;

defines the terms of dividend payment;

supervises the activities of the executive bodies of the Company;

ensures observation of current legislation by the Company;

ensures adherence to the principles of corporate governance;

ensures realization and protection of shareholders' rights, assists in the resolution of corporate conflicts.

## **2. MEMBERS OF THE BOARD OF DIRECTORS**

### **Article 5. Rights of the member of the Board of Directors**

1. A member of the Board of Directors has the right to:

demand that the Company's executive officers and employees provide any information (documents and materials) in the order provided for in these regulations;  
receive a remuneration for his activities and (or) compensation of his expenses related to performing the functions of a member of the Board of Directors, in the cases and in the amount established by the General meeting of shareholders (regulations on remunerations and compensations to the members of the Board of Directors, approved by the General meeting of shareholders);  
get acquainted with the minutes of meetings of the Board of Directors and other collegial bodies of the Company and receive their copies;  
demand inclusion into the minutes of the meetings of the Board of Directors of his dissenting opinion on the items of the agenda and the decisions made;  
be present at the meetings of the collegial executive body of the Company (the Managing board).

#### **Article 6. Obligations of the member of the Board of Directors**

1. A member of the Board of Directors is obliged to:

- be loyal to the Company;
- act within his rights and in accordance with the objectives and functions of the Board of Directors;
- act in the interests of the Company reasonably and in good faith, that is to show care and consideration expected from a good manager and take all the measures to properly fulfill his obligations. A member of the Board of Directors is considered to be acting reasonably and in good faith, if he is not personally interested in making a certain decision and has carefully studied all the information required for decision-making, while other accompanying circumstances show that he acted only in the interests of the Company;
- act in the interests of the Company as a whole, and not in the interests of separate shareholders, executive officers and other persons;
- abstain from disclosing any confidential information on the activities of the Company that he became aware of;
- initiate meetings of the Board of Directors to solve urgent issues;
- be present at physical meetings of the Board of Directors;
- participate in decision-making of the Board of Directors by voting on the items of the agenda of its meetings;
- participate in the work of the committees of the Board of Directors;
- make reasonable decisions, for that study all the necessary information (materials), carry out investigations and provide all the members of the Board of Directors with all the information related to the decisions made, with no exceptions;
- estimate risks and unfavorable consequences while decision-making;
- timely inform the Company on his related persons and changes to their set;
- inform the Board of Directors, Auditing commission and the auditor of legal entities, where he owns 20 or more percent of the voting shares (interest, stock) by himself or together with his related persons;
- inform the Board of Directors, Auditing commission and the auditor of legal entities, in the governing bodies of which he holds positions;
- inform the Board of Directors, Auditing commission and the auditor of any prospective transactions where he could be admitted to be related person;
- abstain from voting on items on decision-making of which he is personally interested;
- immediately inform the Board of Directors through the Secretary of the Board of Directors on the fact of his interest and the reasons for such interest;

- inform the Board of Directors in written form of his intent to perform transactions with the securities of the Company or subsidiary (dependent) companies of OJSC “Synergy” by himself or his related persons, and disclose the information on such transactions;
- participate in the expertise of projects and programs proposed by the Board of Directors;
- prepare proposals on improving the financial and economic activities of the Company, as requested by the Board of Directors;
- inform other members of the Board of Directors of violations of the legislation and legal regulations, the Articles of association, regulations and instructions of the Company by the Company's employees, including the executive officers, as well as by the Company's auditor, members of the Company's Auditing commission and the collegial executive body, that he became aware of;
- inform the Chairman of the Board of Directors of violations of the legislation and legal regulations, the Articles of association, regulations and instructions of the Company by the members of the Board of Directors that he became aware of;
- prepare issues within the competency of the Board of Directors and bring them in for discussion by the Board of Directors;
- give his opinion on annual reports, annual accounting reports made in accordance with Russian accounting standards, including profit and loss reports (profit and loss accounts) of the Company, on distribution of the profit, including payment (announcement) of dividends, and losses of the Company, based on the results of the financial year.

2. Members of the Board of Directors and their related persons must not accept gifts from persons interested in certain decisions being made, related to performance of their obligations, as well as make use of any other direct or indirect benefits provided by such persons (excluding tokens offered in accordance with the generally accepted rules of politeness or souvenirs distributed during official events).

#### **Article 7. Fulfillment of the rights and obligations of a member of the Board of Directors**

1. The work of a member of the Board of Directors is continuous and not limited to participation in decision-making by the Board of Directors.

2. The person keeping the decisions and minutes of the meetings of the Board of Directors (the Secretary of the Board of Directors) must, on request of a member of the Board of Directors, provide him with a copy of these documents, certified by the Secretary of the Board of Directors, no later than 2 business days after receiving such a request.

#### **Article 8. Obligations of the executive officers of the Company to execute the requests of the Members of the Board of Directors**

1. The sole executive body of the Company, members of the collegial executive body of the Company and heads of the structural units of the Company must, upon request by a member of the Board of Directors, provide him with information on the Company's activities within the scope permitted by the legislation of the Russian Federation, except, in particular, private information and the information, provision of which disturbs a private secret, a family secret, privacy of correspondence and telephone communications, as well as mail, telegraph and other messages.

2. In the event of impossibility to provide the information requested by a member of the Board of Directors, the sole executive body of the Company, members of the collegial executive body of the Company and heads of the structural units of the Company must immediately give a reasoned refusal and provide it in written form to the member of the Board of Directors within three days.

3. The information requested by a member of the Board of Directors must be provided through the Secretary of the Board of Directors.

### **3. CHAIRMAN OF THE BOARD OF DIRECTORS**

#### **Article 9. Election of the Chairman of the Board of Directors**

1. The Chairman of the Board of Directors shall be elected by the members of the Board of Directors from among them in the order provided for in the Articles of association of the Company.

2. The person performing the functions of the sole executive body of the Company cannot be the Chairman of the Board of Directors at the same time.

3. The Board of Directors is entitled to re-elect the Chairman of the Board of Directors at any time in the order provided for in the Articles of association of the Company. In the event of absence of the Chairman of the Board of Directors, his functions are performed by one of the members of the Board of Directors chosen by the Board of Directors.

4. If the person who acted as the Chairman of the previous body of the Board of Directors is elected as a member of the new body of the Board of Directors, he continues performing the functions of the Chairman until a new Chairman of the Board of Directors is elected. If the person who acted as the Chairman of the previous body of the Board of Directors is not elected as a member of the new body of the Board of Directors, the oldest member of the Board of Directors performs the functions of the Chairman of the Board of Directors until a new Chairman of the Board of Directors is elected.

#### **Article 10. Functions of the Chairman of the Board of Directors**

1. The Chairman of the Board of Directors:

- organizes the work of the Board of Directors, convokes its meetings, presides at them and ensures the minutes keeping;
- is responsible for preparing the agenda for the meetings of the Board of Directors;
- organizes meetings of the Board of Directors in such a manner that discussions would have an open, comprehensive nature, would not be overly prolonged, would reveal different points of view and, at the same time, would lead to making consistent, particular decisions;
- organizes development of the most effective decisions on the items of the agenda and, if necessary, free discussion of such items, as well as a friendly and constructive atmosphere at the meetings of the Board of Directors;
- takes all the required steps to provide the members of the Board of Directors with the information needed for making decisions on the items of the agenda, in a timely manner;
- encourages the members of the Board of Directors to freely express their opinion on the stated items and openly discuss them;
- takes the initiative when developing draft decisions on the items under discussion;
- ensures that members of the Board of Directors have the opportunity to express their opinion on the items under discussion, assist in developing a consistent decision by members of the Board of Directors in the interests of the Company;
- stays in contact with other bodies and executive officers of the Company, not only for the purpose of timely receipt of utmost complete and credible information required for decision-making by the Board of Directors, but also to ensure effective interaction of these bodies and executive officers among themselves and with third parties;
- ensures effective functioning of the committees of the Board of Directors, taking the initiative to propose members of the Board of Directors for election to the committees,

based on their professional and personal qualities and taking into consideration proposals of the members of the Board of Directors for forming the committees, ensuring, if necessary, consideration of the issues discussed by the committee for consideration by the Board of Directors as a whole.

2. In the event of absence of the Chairman of the Board of Directors, his functions are performed by one of the members of the Board of Directors chosen by the Board of Directors.

3. Persons performing the functions of the Chairman of the Board of Directors during his absence are entitled to execute any powers allowed for the Chairman of the Board of Directors.

4. The Chairman of the Board of Directors is not entitled to delegate his functions to another person.

#### **4. SECRETARY OF THE BOARD OF DIRECTORS**

##### **Article 11. Appointment of the Secretary of the Board of Directors**

1. The Secretary of the Board of Directors is appointed by the Board of Directors. The position of the Secretary of the Board of Directors cannot be occupied by a person elected to the Board of Directors, the Auditing commission or the Managing board of the Company.

2. The person performing the functions of the sole executive body of the Company cannot be the Secretary of the Board of Directors at the same time.

3. The Board of Directors is entitled to appoint a new Secretary of the Board of Directors at any time.

##### **Article 12. Obligations of the Secretary of the Board of Directors**

1. The Secretary of the Board of Directors:

- takes and draws up minutes of the meetings of the Board of Directors;
- performs the functions of the counting commission and the secretary of the General meeting of shareholders (except the cases when the functions of the counting commission and the secretary of the General meeting of shareholders are performed by the Company's registrar);
- summarizes the results of voting on decisions of the Board of Directors taken by polling (absentee voting);
- accounts and keeps incoming documentation and copies of outgoing documentation of the Board of Directors;
- timely informs the members of the Board of Directors on the meetings of the Board of Directors to be held, forwards to them the information (materials) provided to the members of the Board of Directors before a meeting;
- sends voting ballots to the members of the Board of Directors for making the decisions of the Board of Directors that are taken by polling (absentee voting);
- provides technical and organizational assistance to members of the Board of Directors in preparation of the items of the agenda for a meeting of the Board of Directors;
- prepares information for the Chairman of the Board of Directors on facts of violation of the terms set for execution of the decisions of the Board of Directors, improper execution and other violations;
- prepares draft reports on the activities of the Board of Directors;
- stores minutes of the meetings of the Board of Directors with all appendices;

- stores the voting ballots forwarded to the Board of Directors by members of the Board of Directors to make decisions of the Board of Directors, made by polling (absentee voting).

2. To enable the activities of the Secretary of the Board of Directors, the budget (estimate of expenses) of the Board of Directors may provide expenditure of the necessary funds in the amount approved by the Board of Directors.

### **Article 13. Remuneration of the Secretary of the Board of Directors**

1. The Secretary of the Board of Directors may be remunerated for performing the functions of the Secretary of the Board of Directors.

## **5. REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS AND COMPENSATION OF EXPENSES, RELATED TO PERFORMANCE OF THEIR DUTIES**

### **Article 14. The procedure of payment of the remuneration and compensation of expenses of the members of the Board of Directors**

1. Under the decision of a General meeting of shareholders the members of the Board of Directors are to be paid a remuneration and/or compensation of expenses, related to the performance of their duties, for the period of their functions discharge. The amounts of such remunerations and compensations are to be determined by the decision of a General meeting of shareholders (regulations on remunerations and compensations to the members of the Board of Directors, approved by the General meeting of shareholders).

2. General meeting of shareholders considers the item on the payment of the remuneration and compensation to the members of the Board of Directors for their duties performance (on approval of the regulations on remunerations and compensations to the members of the Board of Directors) as a separate item of the agenda of the General meeting of shareholders.

3. Remuneration is paid under the decision of the General meeting of shareholders (the regulations on remunerations and compensations to the members of the Board of Directors, approved by the General meeting of shareholders).

4. In order to formalize relationships between the Company and the members of the Board directors, related to the payment of the remuneration and compensation to the members of the Board of Directors of expenses for their duties performance, the Company represented by the sole executive body can make agreements with the members of the Board of Directors of the Company.

5. The members of the Board of Directors must not accept remuneration and/or compensation of expenses for their duties performance by any means and in any form, for decision-making by the Board of directors and other bodies of the Company, as well as for exercising their rights and obligations as the members of the Board of Directors, with the exception of remuneration and/or compensation of expenses received under the decision of the General meeting of shareholders (the regulations on remunerations and compensations to the members of the Board of Directors, approved by the General meeting of shareholders).

## **6. THE MEETING OF THE BOARD OF DIRECTORS**

### **Article 15. Convocation of the meeting of the Board of Directors**

1. The meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors on his own initiative or at the request of the parties, specified in clause 1 of article 68 of the Federal law “On joint-stock companies” and the Articles of association of the Company.

2. When making a decision on convocation of the meeting of the Board of Directors the convening persons shall determine:

- time and place of holding the meeting;
- a form of the meeting;
- the meeting agenda;
- wordings of items put to vote;
- a list of information (materials) to be provided to the members of the Board of Directors for the meeting.

#### **Article 16. Time and place of holding the meeting of the Board of Directors**

1. The meeting may not be held at the time and place which raise obstacles for presence of the majority of the members of the Board of Directors at the meeting or which makes it impossible.

2. The meeting may not be held at industrial premises or other facilities which make the normal activities of the Board of Directors impossible.

#### **Article 17. Notification of the members of the Board of Directors on convening a meeting of the Board of Directors**

1. All members of the Board of Directors shall be notified on convocation of the meeting of the Board of Directors within 5 days before the date it is to be held. A notification on the meeting to be held shall be sent to the members of the Board of Directors in written form or in other form convenient for them (including by mail, telegraph, teletype, telephone, email or any other means of communication) to their correspondence address. In extraordinary cases the stated term can be reduced by the unanimous decision of all members of the Board of Directors except for the drop-out ones.

2. A notification of a meeting to be held shall contain:

- information on the initiator of the meeting convocation (the initiator's name or a name of a body or a legal entity which submitted the request);
- items on the agenda;
- time and place of the meeting to be held.

3. In case the Chairman of the Board of Directors determines a list of information (materials) to be provided to the members of the Board of Directors for the meeting, this information (materials) shall be provided to them within 5 days before the date of holding the meeting of the Board of Directors. In addition the above said information (materials) shall be distributed to all members of the Board of Directors present at the meeting. In extraordinary cases the stated term can be reduced by unanimous decision of all members of the Board of Directors except for the drop-out ones.

#### **Article 18. Change of the place and the time of holding a meeting of the Board of Directors**

1. In case of circumstances which make a meeting of the Board of Directors impossible to be held or which impede its holding at the place and/or at the time on which the members of the Board of Directors were notified the meeting on the planned agenda can be held at other place and/or at other time.

2. All members of the Board of Directors shall be notified on change of place and time of holding the meeting of the Board of Directors by the Chairman of the Board of directors within reasonable period of time sufficient for the Board directors to arrive at the meeting. A notification on the stated change is to be sent to the members of the Board of Directors by any means ensuring the notification receipt at their correspondence address.

#### **Article 19. Request on convening of the meeting of the Board of Directors**

1. A request on convocation of the meeting of the Board of Directors shall be submitted to the Chairman of the Board of Directors or shall be sent to the Company's address in written form and shall contain the following:

- information on the initiator of the meeting convocation (the initiator's name or a name of a body or a legal entity which submitted the request);
- items on the agenda;
- address to which a response for the presented request will be sent.

2. The request should be signed by the initiator of the meeting convocation.

#### **Article 20. Refusal of convocation of the meeting of the Board of Directors**

1. The Chairman of the Board of Directors may not refuse to convocate the meeting except for the following cases:

- a request on the meeting convocation does not comply with the regulatory legal acts, the Articles of association, the present regulations or other internal document of the Company;
- the initiator of the meeting convocation has no right to request convocation of meeting of the Board of Directors prescribed in the federal law and the Articles of Association of the Company.

2. The Chairman of the Board of Directors is obliged to review the submitted request and to make a decision to convene the meeting of the Board of Directors or to refuse the convening within 5 days of the date the request was submitted.

3. The Chairman of the Board of Directors is obliged to notify the initiators of the meeting convocation on the decision made within 5 business days of the date the decision was made, unless a shorter term is required by the legislation of the Russian Federation.

4. A meeting of the Board of Directors convened at the request of bodies, specified in clause 1 of article 68 of the Federal law "On joint-stock companies" and in the Articles of association of the Company shall be held within 10 business days of the date the request was submitted, unless a shorter term is required by the legislation of the Russian Federation.

#### **Article 21. Obligatory convocation of the meeting of the Board of Directors**

1. The Chairman of the Board of Directors is obliged to convene the meeting of the Board of Directors to pass the resolutions of the following items:

- convocation of an annual General meeting of the shareholders and making decisions necessary for its convocation and conducting stated in the clause 1 of article 54 of the Federal law "On joint stock companies";
- preliminary approval of the annual report of the Company according to the clause 4 of article 88 of the Federal law "On joint stock companies";

- review of the shareholders' proposals on inclusion of issues in the agenda of the annual General meeting of the shareholders and on nomination of candidates for the bodies of the Company pursuant to the clauses 1 and 2 of article 53 of the Federal law "On joint-stock companies" and making decisions to include issues in the agenda of the annual General meeting of the shareholders and to put candidates in the voting list of candidates to be elected for the bodies of the Company or to refuse such inclusion;
- convocation of General meeting of the shareholders to elect new Board of Directors in cases stated in clause 2 of article 68 of the Federal law "On joint-stock companies";
- approval of recommendations related to submitted voluntary or mandatory offer (hereinafter referred to as "Offer"), which include estimation of the suggested price for securities to be acquired and of the potential change of their market value after their acquisition, estimation of plans of the person which submitted the voluntary or mandatory offer in relation to the Company, including its employees;
- making of the following decisions after the receipt of the Offer by the Company: on submission of the Offer and related materials to the owners of the Company's shares to be acquired and on the term of such submission; on the list of information to be enclosed with the Offer and submitted to the owners of the Company's shares to be acquired; on submission of the recommendations of the Board of Directors related to the Offer and the term of such submission to the person who made the Offer; on the procedure of granting access to the independent assessor's report on the market value of the Company's shares to be acquired to the owners of the Company's shares to be acquired.

2. In case the Chairman of the Board of Directors fails to convene a meeting of the Board of Directors to pass resolutions on the items specified in the present article, such meeting can be convened by any member of the Board of Directors.

## **Article 22. The meeting of the Board of Directors**

1. The meetings of the Board of Directors are to be held as and when necessary but at least once in a quarter according to the meeting schedule approved by the Board of Directors and containing an approximate list of items to be considered at the relevant meetings. The list is to be composed with regard to opinions of persons and bodies entitled to request convocation of a meeting of the Board of Directors according to the legislation and the Articles of association of the Company. The list is subject to changes and amendments.

2. When passing the resolutions by the Board of directors each member of the Board of Directors present at the meeting should give his opinion on the items of the agenda by means of open individual voting.

3. When passing the resolutions at the meeting of the Board of directors each member of the Board of Directors has one vote.

4. Transfer of voting right by a member of the Board of Directors to another person including another member of the Board of Directors is not allowed.

5. The following persons not being the members of the Board of Directors can be invited to a meeting of the Board of Directors upon prior permission of the Chairman of the Board of directors: sole executive body, members of the collegial executive body, members of the Auditing commission of the Company, executive officers and heads of the Company departments, representatives of the auditor of the Company, experts, consultants and others.

6. Presence of a quorum at the meeting of the Board of Directors is determined by the chairman of the meeting.

7. Quorum is established if at least half of the elected members of the Board of Directors are personally present. When deciding on the quorum presence written opinion of a member of the Board of Directors absent from the meeting shall be taken into consideration. When summarizing the results of voting of the Board of Directors written opinion of a member of the Board of Director absent from the meeting is taken into consideration. Such written opinion of an absent member of the Board of Directors should be sent to the address of the Company's executive body specified in the Articles of association no later than the beginning of physical meeting of the Board of Directors.

8. In case of absence of the quorum for all items of the agenda the meeting is declared void. In this case upon consulting with the present members of the Board of Directors the presiding person announces the time of the next meeting to be held instead of the void one with the prior set agenda. If a new meeting instead of the one declared void is held on the same or next day the term of notification on holding the meeting of members of the Board of Directors and the term of providing them with the information (materials) related to the meeting stated in the present regulations are not applicable.

9. The meetings of the Board of Directors can be held in a form of absentee voting, by poll, using means of communication.

10. In order to hold a meeting of the Board of Directors in a form of absentee voting the Chairman of the Board of Directors notifies each member of the Board of Directors on holding the meeting in written form (or by fax or email) by sending them a letter stating the reasons of holding the meeting, its form and agenda as well as the wordings of items put to vote and encloses a voting ballot. At the stated time a member of the Board of Directors notified on holding the meeting can give his opinion on the items of the agenda in written form and vote for or against some issue (or specify in the ballot that he or she abstains from voting) by filling in the voting ballot and sending it by mail or fax to the Chairman of the Board with the statement of the date it is filled in. Based on the results of the meeting of the Board of directors held in the form of absentee voting the minutes should be drawn up and the voting ballots received from the members of the Board of Directors should be enclosed with it. The date when the meeting was held (determined according to the filled in bulletins closing time) should be stated in the minutes of the meeting of the Board of Directors.

#### **Article 23. Taking into consideration written opinions of the members of the Board of directors who are absent from the meeting**

1. When deciding on the quorum presence and voting results for the items of the agenda a written opinion of a member of the Board of Directors of the Company absent from the meeting should be taken into account.

2. A written opinion should be submitted by a member of the Board of Directors to the Chairman of the Board of Directors before the meeting of the Board of Directors takes place.

3. A written opinion of a member of the Board of Directors can contain voting results either for all items of the agenda of the meeting or only for some of them.

4. If a copy of a written opinion of a member of the Board of Directors is not included in the information (materials) provided to the members of the Board of Directors for a meeting the person presiding the meeting shall announce such written opinion of a member of the Board of Directors absent from the meeting before the beginning of voting on the item of the agenda, for which such opinion is submitted.

5. In case a member of the Board of Directors is present at the meeting of the Board of Directors his written opinion, submitted before the meeting takes place, is not announced and is not taken into account when deciding on the quorum presence and voting results.

#### **Article 24. Minutes of meetings of the Board of Directors**

1. The Secretary of the Board of Directors is obliged to take minutes at the meeting of the Board of Directors, and in case of his absence the minutes are to be taken by one of the members of the Board of Directors by the presiding person's assignment.

2. The minutes of the meeting of the Board of Directors should be drawn up no later than three days after the meeting took place and should be signed by the presiding person who is responsible for their accuracy and validity.

3. The minutes of the meeting should contain:

- full commercial name of the Company;
- time and place of holding the meeting;
- the persons who were present at the meeting;
- the persons who submitted written opinions on the items of the agenda;
- the agenda of the meeting;
- issues put to vote and their voting results;
- decisions made.

4. In case of taking into account written opinions of the members of the Board of Directors absent from the meeting of the Board of Directors when deciding on the results of voting on the items of the agenda, such written opinions received from the members of the Board of Directors are enclosed with the minutes in the form of appendixes.

5. The Company should keep the minutes of the meetings of the Board of Directors at the location of its executive body according to the procedure and terms required by the federal executive agency on securities market. If these terms are not specified the Company should keep the minutes of the meetings of the Board of Directors on a permanent basis.

6. The Company is obliged to make the minutes of the meetings of the Board of Directors available for the shareholders, the members of the Board of Directors, the members of the Auditing commission and the Company's auditor according to the procedure and to the extent required by the legislation of the Russian Federation.

## **7. REQUIREMENTS CONCERNING DECISION OF THE BOARD OF DIRECTORS**

### **Article 25. Decision of the Board of Directors**

1. Decision of the Board of Directors can be taken by means of the following:

- the Board of Directors' meeting;
- the Board of Directors' meeting in which the written opinions of the absent members of the Board of Directors, concerning items of the agenda, are taken into consideration when determining the presence of a quorum and voting results.
- absentee voting.

2. In cases when, according to the legislation of the Russian Federation or to the Articles of association of the Company, a majority of three fourths of votes or unanimous consent of the members of the Board of Directors is required for a decision to be taken, without regard to votes of drop-out members, by drop-out members the following persons are meant:

- dead, missing persons, or those recognized as legally incapable;

- persons whose powers as the members of the Board of Directors of the Company have been terminated pre-term, by a resolution of the General meeting of shareholders.

#### **Article 26. The Board of Directors' decision coming into effect**

1. The decision of the Board of Directors, taken at the meeting of the Board of Directors, shall come into effect upon announcement of the voting results on the item.
2. Decision of the Board of Directors taken by means of absentee vote shall come into force upon the date when the minutes of the meeting are drawn up, but not later than on the third day after the expiration date of accepting voting ballots.

### **8. TAKING DECISIONS OF THE BOARD OF DIRECTORS BY MEANS OF ABSENTEE VOTING**

#### **Article 27. Taking decisions of the Board of Directors by means of absentee voting**

1. The decision of the Board of Directors can be taken by means of absentee voting in accordance with the procedure specified in this Section, except for the cases stipulated in the Articles of association of the Company.
2. The decision of holding the absentee voting shall be taken by the Chairman of the Board of Directors.
3. The decision of holding the absentee voting shall specify the following:
  - the agenda of the meeting;
  - wordings of issues put to vote;
  - text and form of a voting ballot;
  - list of information (materials) provided to the members of the Board of Directors;
  - date of submitting voting ballots and other information (materials) to the members of the Board of Directors;
  - the expiration date of accepting voting ballots;
  - address of accepting voting ballots.
4. Voting ballots and other information (materials) shall be sent to the members of the Board of Directors by registered letters, means of communication, or shall be presented to them against personal signature.

#### **Article 28. Voting ballot**

1. Voting ballot shall contain the following information:
  - full commercial name of the Company;
  - the expiration date of accepting voting ballots;
  - address of accepting voting ballots;
  - wording of each issue put to vote and available voting options expressed in wordings "For", "Against", and "Abstained";
  - indication that the ballot must be signed by the member of the Board of Directors.

2. The members of the Board of Directors, whose ballots were received at the specified address not later than the expiration date of accepting voting ballots, shall be considered to have taken part in absentee voting.

3. Based on the results of the absentee voting, minutes shall be drawn up within 3 days after the specified expiration date of accepting voting ballots. These minutes shall be signed by the person who presided the meeting.

4. Both the decisions taken by the Board of Directors by means of absentee voting and the results of absentee voting shall be made known to all the members of the Board of Directors within 3 days after signing the minutes by sending them copies of these minutes.

5. Ballot can be accompanied by a detailed written opinion of a member of the Board of Directors, describing his position concerning the issue that has been put to vote.

## **9. FAMILIARIZATION OF THE MEMBERS OF THE BOARD OF DIRECTORS WITH THE COMPANY'S STATE OF AFFAIRS**

### **Article 29. The procedure of familiarization of a member of the Board of Directors with the Company's state of affairs**

1. Newly elected members of the Board of Directors shall be entitled to complete the procedure of familiarization themselves with the Company's state of affairs (introduction to the Company's activities), implying introduction to the history of the Company, activities of the Board of Directors, and documents (latest annual reports of the Company, minutes of annual and extraordinary General meetings of shareholders, minutes of the meetings of the Board of Directors, and other information).

### **Article 30. Introducing a member of the Board of Directors to the Company's executive officers and shareholders**

1. Newly elected members of the Board of Directors shall be introduced to the Company's executive officers.

2. The sole executive body shall be obliged to introduce each member of the Board of Directors to the executive officers of the Company within 20 days from the date of summarizing the voting results of elections of the Board of Directors.

3. During introduction, the member of the Board of Directors shall present information on himself, including if he is an independent or executive director. In addition, he shall inform whether membership in the Board of Directors of the Company is his major occupation or not.

### **Article 31. Providing a member of the Board of Directors with information (documents and materials) on the Company**

1. The sole executive body shall be obliged to submit the copies of the Articles of association and internal documents of the Company that regulate the activities of its bodies to each member of the Board of Directors within 10 business days after summarizing the voting results of elections of the Board of Directors.

## **10. CONFLICT OF INTEREST OF THE MEMBERS OF THE BOARD OF DIRECTORS WITH THE COMPANY'S INTEREST**

### **Article 32. An independent member of the Board of Directors**

1. Each of independent members of the Board of Directors responsible for performing specific functions of the Board of Directors (being member of some committee of the Board of Directors) must possess professional knowledge in the area relevant to the function performed (industry-wide activity of the Company, law, anti-crisis management, corporate governance, financial analysis, audit, and others).

2. An independent director shall abstain from activities that can make it impossible for him to stay independent afterwards. If, after election to the Board of Directors, some changes arise or certain circumstances occur that make it impossible for the independent director to stay independent, this director shall be obliged to submit notification setting forth these changes and circumstances to the Board of Directors. Then, as well as in case the Board of Directors becomes aware of such changes or circumstances by other means, the Board of Directors shall be obliged to inform shareholders and, as the situation may require, convocate an extraordinary General meeting of shareholders to terminate powers of the members of the Board of Directors and elect new Board of Directors.

3. Information on independent directors shall be disclosed in the annual report of the Company.

### **Article 33. Proportion of independent members in the Board of Directors**

1. There must be at least one independent director in the Board of Directors.

### **Article 34. Disclosing information on related party transactions involving the members of the Board of Directors**

1. The Company's annual report shall include information on the transactions of the Company with a member of the Board of Directors, his (her) spouse, parents, children, brothers and sisters of the whole and of the half blood, adoptive parents and adoptees, and (or) their related persons, as well as information on the participation of the mentioned persons in transactions with the Company as beneficiary parties, intermediate parties or representatives, or if they own 20 per cent and more of voting shares of the legal entity, which is a party, beneficiary party, intermediate party or representative for the transaction with the Company, or they occupy positions in the governing bodies of the legal entity which is a party, beneficiary party, intermediate party or representative for the transaction, or occupy positions in the governing bodies of the managing organization of such legal entity.

2. Information on the specified transactions shall include details on all the transaction participants, its date, fulfillment, price, and approval by the Board of Directors or General meeting of shareholders.

## **11. COMMITTEES OF THE BOARD OF DIRECTORS**

### **Article 35. Formation of committees of the Board of Directors**

1. To perform its functions, the Board of Directors is entitled to form permanent committees of its members. These committees shall serve for preliminary consideration of the most important issues and preparing decision-making recommendations for the Board of Directors.

2. The Board of Directors shall be entitled to organize the following committees:

- Audit committee;
- Nomination (personnel) and Remuneration committee;
- Strategy committee.

3. As circumstances may require, the Board of Directors shall be authorized to form other permanent or temporary committees.

4. Committees shall include the Board of Directors' members with professional experience and knowledge in relevant field.

5. Committee shall include at least three members.

6. Committee shall not be authorized to act on behalf of the Board of Directors. Committee shall not be a body of the Company.

7. The Audit committee and Nomination (personnel) and Remuneration committee shall consist of independent directors only and should it be impossible by virtue of objective causes they shall consist of independent directors and members of the Board of Directors not being the sole executive body and (or) members of a collegial executive body of the Company.

8. The Audit committee and Nomination (personnel) and remuneration committee shall be headed by independent directors.

9. Chairmen and members of committees shall be elected at the Board of Directors' meeting.

10. The following persons can be invited to the committee meetings: non-committee members of the Board of Directors of the Company, the sole executive body of the Company, the members of the collegial executive body of the Company, the members of the Auditing commission of the Company, representatives of the Company's auditor, head of the department performing functions of the Company's internal control, other executive officers and employees of the Company.

11. As circumstances may require, experts with relevant professional knowledge can be engaged for committee activities.

12. The Board of Directors shall approve internal documents that regulate procedures of committee formation and its activities.

## **12. ESTIMATION OF ACTIVITIES OF THE BOARD OF DIRECTORS**

### **Article 36. Estimation of activities of the Board of Directors, its committees and individual members of the Board of Directors**

1. Activities of the Board of Directors shall be annually estimated by the Chairman of the Board of Directors.

2. Activities of each committee of the Board of Directors shall be annually estimated by the Chairman of the Board of Directors.

3. Results of estimation performed as specified in i.i. 1-2 of this Article shall be included in annual report of the Company.