

**APPROVED**

**by Annual General Meeting of Shareholders  
of OJSC MMC Norilsk Nickel**

**Minutes №1 dated 13 May, 2015**

**CHARTER**  
**of Public Joint Stock Company**  
**Mining and Metallurgical Company Norilsk Nickel**

**(Revision No. 9)**

**2015**

## **1. GENERAL**

- 1.1. Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel, hereinafter referred to as the Company, was established under the laws of the Russian Federation as a result of reorganization in the form of a spin-off from Open Joint Stock Company Norilsk Mining and Metallurgical Works named after A.P. Zavenyagin and operates on the basis of the Civil Code of the Russian Federation, the Federal Law on Joint Stock Companies (hereinafter referred to as the Federal Law), other regulatory legal acts of the Russian Federation, and this Charter.
- 1.2. The Company is a legal successor to OJSC Norilsk Mining and Metallurgical Works named after A.P. Zavenyagin in terms of its rights and obligations in accordance with the separation balance sheet.
- 1.3. Prior to the approval of the revision of the Company Charter dated February 21, 2001, the Company had the following name: Open Joint Stock Company Norilsk Mining Company (OJSC NMC or OJSC Norilsk Mining Company). Prior to the approval of the current revision of the Company Charter the Company had the following name: Open Joint Stock Company Mining and Metallurgical Company Norilsk Nickel.
- 1.4. The Company is a legal entity, owns separate property recorded on its separate balance sheet, and may, in its own name, acquire and exercise civil rights, assume civil duties, and be a plaintiff or a defendant in court.
- 1.5. The Company may open bank accounts within the Russian Federation and abroad under the prescribed procedure.
- 1.6. The Company shall have a round seal bearing its full official name in Russian and a reference to its location. The seal may contain the Company's corporate name in any foreign language or language of other nations of the Russian Federation. The Company shall be entitled to have stamps and letterheads with its name, its own logo, and a duly registered trademark and other means of visual identification.
- 1.7. The Company shall be liable for its obligations to the extent of all of its property. The shareholders shall not be liable for its obligations and bear the risk of losses associated with the Company's activities to the extent of the value of their respective shareholdings. The Company shall not be liable for the obligations of its shareholders.

## **2. NAME AND LOCATION OF THE COMPANY**

- 2.1. The full corporate name of the Company shall be: Публичное акционерное общество “Горно-металлургическая компания “Норильский никель”.

The corporate short name of the Company shall be: ПАО “ГМК “Норильский никель”.

The full corporate name of the Company in English shall be: Public Joint Stock Company Mining and Metallurgical Company NORILSK NICKEL.

The corporate short name of the Company in English shall be: PJSC MMC NORILSK NICKEL.

- 2.2. The Company shall be located at: city of Dudinka, Krasnoyarsk Region, Russian Federation.

### **3. SUBJECT AND OBJECTIVES OF ACTIVITIES OF THE COMPANY**

- 3.1. The principal objective of the Company shall be making profit.

- 3.2. The principal types of activities of the Company shall be:

- (1) Prospecting, exploration and development of mineral deposits;
- (2) Construction, operation and repair of surface facilities and underground mining workings and structures designed for prospecting, exploration and development of mineral deposits, as well as for mining and processing of ore and non-ore minerals;
- (3) Development of design and technical documentation for the existing mining sites and facilities;
- (4) Operation and repair of equipment, transfer mechanisms, communication facilities and transportation means, and ensuring the safety of production facilities and personnel;
- (5) Blasting operations;
- (6) Operation of permanent explosive storage and explosive distribution facilities;
- (7) Ore concentration, hydro transportation of ore concentrates, operation of hydraulic structures;
- (8) Sale of primary metals produced through ore processing;
- (9) Sale of ore and ore concentrates;
- (10) Metallurgical processing of ore, ore concentrates, secondary non-ferrous and precious metals; manufacture of non-ferrous and precious metal products, production of sulphur and sulphuric acid;
- (11) Generation, transmission, distribution and sale of electrical and thermal energy;
- (12) Storage of oil and oil products;
- (13) Operation of surface and underground water intakes, process/drinking water supply and closed-circuit water systems;
- (14) Production and sale of technical and process oxygen;
- (15) Operation and maintenance of telephone and radio-relay communication systems;
- (16) Operation and maintenance of bulk plants and filling stations including mobile ones;

- (17) Assembly, setting-up and operation of electric/thermal energy supply equipment and consumer power units;
- (18) Shipping, forwarding and other operations related to transportation by sea, inland water and air transport;
- (19) Passenger and cargo transportation by motor road and railroad;
- (20) Construction, reconstruction, repair and maintenance of motor roads, railroads and traffic infrastructure;
- (21) Environmental protection work and services;
- (22) Fire safety operations;
- (23) Operations involving the use of state secrets, protection of information containing state secret and/or provision of state secret protection services;
- (24) Development of town-planning documentation;
- (25) Architectural activities;
- (26) Sanatorium and resort services, health care and medical treatment;
- (27) Design and exploration operations, including those related to the land use;
- (28) Construction-related topographic, geodetic and cartographic work;
- (29) Engineering surveys required for construction, design and erection of buildings and facilities of responsibility levels I and II;
- (30) Operation of urban and local engineering systems;
- (31) Manufacture of construction materials, structures and items;
- (32) Educational services (secondary/high-school education, higher education, postgraduate professional education and related advanced training);
- (33) Refinement of precious metals;
- (34) Purchase of jewelry, other items made of precious metals, gems and precious metal scrap from individuals;
- (35) Recycling precious metal scrap and waste into final products;
- (36) Geological survey, making and publishing of geological maps, including digital and electronic maps and charts;
- (37) Geophysical (including gravimetric) subsoil exploration;
- (38) Drilling of water wells and exploration wells to prospect solid and other minerals;

- (39) Production, bottling, storage, wholesale and retail sale of alcoholic beverages;
- (40) Production and exploratory well drilling;
- (41) Production and transportation of natural gas and gas condensate;
- (42) Processing of natural gas and gas condensate;
- (43) Export and import operations as provided by the laws of the Russian Federation;
- (44) Investment by the Company of own and borrowed funds, including foreign currency resources, into joint ventures with Russian and foreign organizations, companies and individuals, including the establishment of subsidiaries and affiliates both in the Russian Federation and abroad;
- (45) Construction of oil and gas trunk pipeline facilities;
- (46) Designing of production and infrastructure facilities for oil and gas industry;
- (47) Operation of oil and gas trunk pipeline facilities;
- (48) Construction of production and infrastructure facilities of natural gas industry;
- (49) Operation of production and infrastructure facilities of natural gas industry;
- (50) Repair and assembly of oil and gas drilling rigs and equipment;
- (51) Personnel training (key professions) for potentially dangerous industrial production operations and facilities;
- (52) Assembly of equipment for fire and explosion hazard facilities;
- (53) Repair of equipment for fire and explosion hazard facilities.
- (54) Borrowing of funds in the form of credits, credit facilities, overdrafts, loans, leasing, factoring;
- (55) Currency purchase-sale, other currency exchange transactions, hedging of currency risks by concluding currency, forward contracts involving foreign currency, currency swaps and similar transactions;
- (56) Placement of Company's available funds, including in foreign currency, in the form of deposit;
- (57) Company's opening of letters of credit, obtaining bank guarantees to secure Company's obligations to third persons, and Company's granting of suretyships to secure the obligations of the Key Companies of the Company Group before third persons;
- (58) Investment activities aimed at recovering, perfecting production of metal ores and other minerals, metallurgic production of precious metals;

- (59) Research and development activities;
  - (60) Acquisition of goods, raw stock, work and services required for the core types of Company's activities.
- 3.3. In order to achieve its main objective, the Company shall be entitled to carry out any other business activities except those prohibited by the laws of the Russian Federation.
- 3.4. The Company can perform certain types of activities, the enumeration thereof governed by laws enforced by the Russian Federation, provided the Company has obtained the relevant permit (license), membership in a self-governed organization or permit issued by the same granting access to a particular type of activity.

#### **4. CHARTER CAPITAL AND SHARES IN THE COMPANY**

- 4.1. The charter capital of the Company shall be formed out of the par values of the shares in the Company and be equal to one hundred fifty eight million two hundred forty five thousand four hundred seventy six (158,245,476) rubles.
- 4.2. The charter capital of the Company shall be divided into one hundred fifty eight million two hundred forty five thousand four hundred seventy six (158,245,476) ordinary registered shares with a nominal value of one (1) ruble each.
- 4.3. A resolution to increase the charter capital of the Company by increasing the nominal value of shares shall be passed by a General Shareholders' Meeting of the Company (hereinafter the General Meeting).
- 4.4. A resolution to increase the charter capital of the Company by issuing additional shares shall be passed unanimously by all members of the Company's Board of Directors except as otherwise provided for by clauses 4-5-4.7 of this Charter.

A resolution of the Board of Directors of the Company to increase the charter capital of the Company by issuing additional shares shall be passed unanimously by all the members of the Board of Directors, with votes of the retired members of the Board of Directors not being taken into account.

- 4.5. Private offering of shares (or Company issuable securities convertible into shares) may be made only by a Meeting resolution to increase the Company's charter capital by issuing additional shares (to issue Company issuable securities convertible into shares), which shall be passed by a three-quarter vote majority of the holders of voting shares attending the Meeting.
- 4.6. Public offering of ordinary shares representing more than twenty-five percent (25%) of the outstanding ordinary shares may be made only by a resolution of a Meeting adopted by a three-quarter vote majority of the holders of voting shares attending the Meeting.
- 4.7. Public offering of issuable securities convertible into ordinary shares representing more than twenty five percent (25%) of the outstanding ordinary shares may be made only by a resolution of a Meeting adopted by a three-quarter vote majority of the holders of voting shares attending the Meeting.

- 4.8. Shares in the Company may be paid with cash, things, shares (of stock) in charter (pooled) capital of other business partnerships and companies, state and municipal bonds, as well as monetarily assayable exclusive and miscellaneous intellectual rights and rights under license agreements unless otherwise stipulated by the legislation.
- 4.9. If shares of the Company are paid up with non-monetary assets, the monetary value of such assets contribution shall be determined by the Board of Directors of the Company in accordance with the Federal Law and other laws and regulations of the Russian Federation.
- 4.10. The Company may decrease its charter capital by acquiring and cancelling a portion of shares. The Company may acquire outstanding shares in the Company upon a resolution of a Meeting to decrease the Company's charter capital by acquiring a portion of outstanding shares in order to decrease the aggregate number thereof. The Company has the right to acquire outstanding shares in the Company upon a Resolution of the Board of Directors.
- 4.11. A resolution of the Company to decrease its charter capital by reducing the par value of shares or by acquiring a portion of shares for the purpose of reducing the total number thereof shall be passed by a Meeting.
- 4.12. If the Company acquires any outstanding shares in the Company on the basis of a resolution of a Meeting to decrease the Company's charter capital by acquiring a portion of outstanding shares in order to decrease the aggregate number thereof, such acquired shares shall be paid in accordance with Meeting resolution by cash, things, shares (of stock) in charter (pooled) capital of other business partnerships and companies, state and municipal bonds, as well as monetarily assayable exclusive and miscellaneous intellectual rights and rights under license agreements unless otherwise stipulated by the legislation.
- 4.13. The Company shall establish a reserve fund at a rate of fifteen per cent (15%) of the charter capital. The reserve fund shall be formed out of annual allocation of five per cent (5%) of the Company's net profit until the fund reaches its prescribed amount. The reserve fund shall be used for covering Company's losses, bond redemption and/or buyout of shares if no other funds are available. The reserve fund may not be used for any other purposes.
- 4.14. The register of the Company shareholders shall be maintained by an independent duly licensed party (Registrar).

## **5. RIGHTS OF SHAREHOLDERS**

- 5.1. Shareholders shall have the right to:
- (1) Freely alienate their shares;
  - (2) Receive dividends;

- (3) Receive a portion of the Company's assets in the event of liquidation of the Company;
  - (4) Attend a General Meeting with the right to vote on all issues within its competence (on the basis of the one share – one vote principle, unless otherwise is provided for by the Federal Law or other regulations of the Russian Federation);
  - (5) Exercise their preemptive right to purchase additional shares and/or issuable convertible-into-shares securities offered in a public offering, *pro rata* to the amount of shares of the same category (class) held by them;
  - (6) Obtain information on the Company's activities in accordance with the Federal Law, other regulations of the Russian Federation and the present Charter;
  - (7) Exercise other rights as provided for by the Federal Law, other legal regulatory acts of the Russian Federation, the Company Charter and resolutions of a Meeting adopted within its competence.
- 5.2. In cases provided for by the Federal Law, the owners of voting shares shall be entitled to demand from the Company to buy out all or a portion of their shares.
- 5.3. The Company may adopt resolutions to pay (declare) dividends on outstanding shares on the basis of performance results for the first quarter, half-year, nine months of the financial year and/or on the basis of performance results for the financial year, unless otherwise is provided for under the Federal Law. A resolution to pay (declare) dividends on the basis of performance results for the first quarter, half-year, nine months of the financial year may be adopted within three months after the end of the relevant period. The Company shall be obliged to pay dividends declared on each category (class) of shares.

Resolution to pay (declare) dividends shall be adopted by a Meeting. The said resolution shall determine the amount of the dividend on shares of each category (class), the form of payment thereof, the procedure of non-monetary form dividend payment, the date by which shall be made up a list of persons entitled to receive dividend. Whereas the resolution about the date by which shall be made up a list of persons entitled to receive dividend is approved solely on suggestion of the Board of Directors of the Company.

The amount of dividends may not exceed the amount recommended by the Company's Board of Directors. Dividends shall be paid out of the Company's net profit. Dividends shall be paid by cash and, pursuant to the resolution of a Meeting, by securities or other property.

The timespan of dividend payment to a nominee holder of the shares and entrusted manager – professional participant in the securities market, who are listed in the shareholders' register, must not exceed 10 working days, whereas other persons listed in the shareholders' register shall count on 25 working days since the date of making up the list of the persons entitled to receive dividend.

The date at which, in compliance with the resolution on payment (declaration) of dividend is made up the list of persons entitled to receive a dividend, shall not be prior to 10 days since the date of resolution on payment (declaration) of a dividend and later than 20 days since the adoption of the said resolution.



## 6. GENERAL MEETING OF SHAREHOLDERS

- 6.1. The highest governing body of the Company shall be the General Meeting. The General Meeting shall be held in the city of Moscow; the specific place for holding a Meeting shall be determined by the Board of Directors during preparation for the Meeting. The procedure for holding a General Meeting shall be set forth in the Regulations on the General Meeting of Company Shareholders approved by the General Meeting.
- 6.2. The Company shall hold an annual General Meeting once a year. An annual General Meeting shall be held no earlier than three months and no later than six months after the end of the Company's fiscal year. The annual General Meeting shall be convened by the Board of Directors of the Company.
- 6.3. Shareholder(s) holding no less than two per cent (2%) of voting shares in the Company shall have the right to propose items for inclusion thereof in the agenda of annual General Meeting and to nominate candidates to the Board of Directors and the Audit Commission of the Company to the extent provided for by the Federal Law. Proposals for the agenda of an annual General Meeting and a list of candidates nominated to the Board of Directors and the Audit Commission of the Company shall be delivered to the Company within ninety (90) days after the end of the fiscal year. In addition to the information referred to in Paragraph 4 of Article 53 of the Federal Law, a shareholder's (shareholders') proposal to nominate candidates to the Company's Board of Directors or the Company's Audit Commission (hereinafter the Audit Commission) shall contain the information on candidates specified in paragraph 6.8 and candidate's written consent to take the relevant office.
- 6.4. The notice of a General Meeting shall be published in *The Rossiyskaya Gazeta* and *The Taimyr* newspapers as well as at the Internet site of the Company <http://www.nornik.ru> (hereinafter – the site of the Company) at least thirty (30) days prior to the date of the General Meeting (absentee ballot acceptance deadline if a General Meeting is held by absentee voting). The Company may additionally inform the shareholders of the scheduled General Meeting by publishing a notice of a General Meeting in other press edition or by informing shareholders about the General Meeting by e-mail. The Company has the right to announce the holding of the meeting prior to the date referred to in this paragraph. In the cases stipulated by items 2 and 8 of clause 53 of the Federal Law, the announcement about an extraordinary Meeting shall be made 70 days prior to its carrying out.
- 6.5. In the course of preparation for a General Meeting, the Company's Board of Directors (or other persons as provided for by the Federal Law) shall determine:
  - (1) The form of the General Meeting (personal attendance or absentee voting);
  - (2) The date, place and time of the General Meeting (including the start and end of shareholders registration), and the postal address for forwarding the completed ballots, or, if the General Meeting is held by absentee voting, the deadline for receipt of absentee ballots and the postal address for forwarding the completed absentee ballots;
  - (3) The date for making the list of the persons entitled to attend the General Meeting;
  - (4) The agenda of the General Meeting;

- (5) The procedure for notifying the shareholders of the convocation of the General Meeting;
- (6) The list of information (materials) to be provided to shareholders in the course of preparation for the General Meeting and the method of provision thereof;
- (7) The form and wording of the voting ballot;
- (8) The rules of procedure of the General Meeting (total duration of the General Meeting, breaks, time limits for reports and speeches on each item and for discussion thereof, etc.);
- (9) Secretary of the Meeting.

6.6. The notice of a General Meeting shall contain:

- (1) The full corporate name and location of the Company;
- (2) The form of the General Meeting (personal attendance or absentee voting);
- (3) The date, place and time of the General Meeting (including the start and end of shareholders registration) and the postal address for forwarding the completed ballots, or, if the General Meeting is held by absentee voting, the deadline for receipt of absentee ballots and the postal address for forwarding the completed absentee ballots;
- (4) The date of making the list of the persons entitled to attend the General Meeting;
- (5) The agenda of the General Meeting, indicating the person proposing each item on the agenda of the General Meeting;
- (6) The procedure for reviewing information (materials) to be furnished in the course of preparation for the General Meeting, and the address (addresses) at which such information (materials) may be reviewed.

6.7. Information (materials) to be provided to the persons entitled to attend a General Meeting in the course of preparation for the General Meeting shall include the annual financial statements including the auditors' report and report of the Audit Commission based on the results of the audit of the annual financial statements and annual report; information on candidates to the Company's Board of Directors, the Audit Commission and the executive bodies of the Company; draft amendments to the Company Charter or a draft new revision of the Company Charter; draft by-laws of the Company; draft resolutions of the General Meeting; the Company's annual report; opinion of the Audit Committee of the Board of Directors with regard to the auditors' report; report of the Board of Directors containing the Board's well-grounded position on the items included in the agenda of the General Meeting, recommendations of the Board of Directors in relation to the candidates to the Board of Directors, information provided for by Paragraph 5 of Article 32.1 of the Federal Law as regards shareholders; agreements concluded during the year by the date of the Meeting. By a resolution of the Company Board of Directors the shareholders may be informed of special opinions of the members of the Company Board of Directors.

- 6.8. Information on candidates to the Company's Board of Directors and the Audit Commission shall include:
- (1) Full name;
  - (2) Date of birth;
  - (3) Education;
  - (4) Employment record for the last five years;
  - (5) Record of convictions, if any, for economic crimes and crimes against the State, as well as cases of administrative liability in the field of entrepreneurship or finance, taxes and levies, securities;
  - (6) The number of shares in the Company held by the candidate;
  - (7) The list of all offices held by the candidate in the management bodies of other legal entities (with indication of full names of such legal entities and the date from which the candidate has been holding each such office);
  - (8) with respect to a candidate to the Board of Directors – an indication of whether such candidate complies with the requirements to an Independent Director set forth by this Charter, and if such candidate is nominated as an Independent Director, then such candidate's written confirmation shall be provided that he/she complies with all such requirements.
- 6.9. The list of persons entitled to attend a General Meeting shall be prepared on the basis of information contained in the register of the Company shareholders as on the date determined by the Board of Directors of the Company. The date of making the list of the persons entitled to attend the Meeting may not be earlier than the date of adoption of the resolution to convene the General Meeting and may not be more than fifty (50) days or, in cases specified in Paragraph 2 of Article 53 of the Federal Law, eighty (80) or more days prior to the date of the General Meeting.  
The information about the date of making up the list of persons eligible to participate in the General Meeting shall be disclosed no less than five (5) days anticipation.
- 6.10. Any General Meeting other than an annual General Meeting shall be considered an extraordinary General Meeting. An extraordinary General Meeting shall be convened by the Company's Board of Directors at its own initiative or upon a request of the Audit Commission, the Company external auditor, or shareholder(s) owning at least ten per cent (10%) of voting shares in the Company as at the date the request is submitted.
- 6.11. The Company's Board of Directors shall convene an extraordinary General Meeting upon a request of the Audit Commission, the Company external auditor, or shareholder(s) owning at least ten per cent (10%) of the voting shares of the Company. A decision to convene or refuse to convene an extraordinary General Meeting upon a request of the Audit Commission, the Company's external auditor, or shareholder(s) owning at least ten per cent (10%) of voting shares in the Company, shall be taken by the Board of Directors within five (5) days after the request is made. Such decision shall be communicated to the persons requesting the convocation of an extraordinary General

Meeting within three (3) days after the taking thereof. A decision to refuse convocation of an extraordinary General Meeting may be taken only in the cases provided for in the Federal Law.

- 6.12. An extraordinary General Meeting convened upon a request of the Audit Commission, the Company's external auditor, or shareholder(s) owning at least ten per cent (10%) of the voting shares in the Company shall be held within forty (40) days after the request for its convocation is submitted. If the proposed agenda of the extraordinary General Meeting contains an item on the election of the Board of Directors members, such General Meeting shall be held within seventy (70) days after the request to convene such General Meeting is submitted.
- 6.13. The Board of Directors shall not alter the wording of the agenda items or resolutions on these items, or change the proposed form for holding the extraordinary General Meeting convened upon a request of the Audit Commission, the Company's external auditor, or shareholder(s) owning at least ten per cent (10%) of voting shares in the Company.
- 6.14. If the Board of Directors fails to make a decision on convocation of the extraordinary General Meeting within the established period of time or decides to refuse to convene the extraordinary General Meeting, the Company body or person requesting convocation of such General Meeting may refer to court with a claim to enforce the Company to hold such extraordinary Meeting.
- 6.15. If the proposed agenda of the extraordinary General Meeting includes an item on election of members of the Company's Board of Directors, the shareholder(s) holding in the aggregate at least two per cent (2%) of voting shares in the Company may nominate candidates to the Company's Board of Directors, the number of which may not exceed the numeric composition of the Board of Directors of the Company. Such proposals shall be delivered to the Company at least thirty (30) days prior to the date of the extraordinary General Meeting.
- 6.16. The right to participate in a General Meeting may be exercised by a shareholder either in person or by a proxy. At the General Meeting, a shareholder's proxy shall exercise the authority based on the provisions of federal laws or regulations issued by duly authorized governmental bodies or local self-government bodies, or by a power of attorney made in writing in accordance with the requirements of federal laws. A shareholder may at any time replace his/its proxy at the General Meeting or attend the General Meeting personally.
- 6.17. Voting at a General Meeting shall be conducted by ballots. The Company shall distribute voting ballots to shareholders no later than twenty (20) days prior to the date of the General Meeting.
- 6.18. A General Meeting shall be deemed competent (have the quorum) if shareholders holding in the aggregate more than one-half of the votes of the outstanding voting shares in the Company participate in the General Meeting. The shareholders, who were registered to participate in the General Meeting and the shareholders whose ballots were received no later than two days prior to the date of the General Meeting, shall be regarded as having participated in the General Meeting. If a General Meeting is held by absentee voting, the shareholders, whose ballots were received before the absentee ballots receipt deadline, shall be regarded as having participated in such General Meeting.

## **7. AUTHORITY OF THE GENERAL MEETING OF SHAREHOLDERS**

- 7.1. The following matters shall fall within the authority of the General Meeting:
  - 7.1.1. Changes in and amendments to the Company Charter or approval of a new revision of the Company Charter;
  - 7.1.2. Reorganization of the Company;
  - 7.1.3. Liquidation of the Company, appointment of a liquidation commission and approval of the interim and final liquidation balance sheets;
  - 7.1.4. Election of members of the Board of Directors, and premature termination of their office;
  - 7.1.5. Determination of the total number, par value and category (type) of authorized shares and the rights granted by these shares;
  - 7.1.6. Increase of the Company's charter capital by increasing the par value of shares or Company's issuing additional shares in the Company as provided for by the Federal Law;
  - 7.1.7. Decrease of the Company's charter capital by decreasing the par value of shares, Company's acquisition of a portion of shares in order to reduce the total number thereof, or cancellation of the acquired or redeemed shares by the Company;
  - 7.1.8. Election of members of the Audit Commission and premature termination of their office;
  - 7.1.9. Approval of the Company external auditor;
  - 7.1.10. Approval of the Company's annual reports, annual financial statements, including profit and loss statements (profit and loss accounts) of the Company;
  - 7.1.11. Determination of the procedure for conducting General Meetings;
  - 7.1.12. Splitting and consolidation of shares;
  - 7.1.13. Approval of transactions in cases provided for by Article 83 of the Federal Law;
  - 7.1.14. Approval of major transactions in cases provided for by Article 79 of the Federal Law;
  - 7.1.15. Acquisition by the Company of outstanding shares in cases provided for by the Federal Law;
  - 7.1.16. Approval of resolutions on the Company's participation in financial and industrial groups, associations and any other unions of commercial organizations;
  - 7.1.17. Approval of internal documents regulating the activities of the Company's bodies;
  - 7.1.18. Payment (declaration) of dividends on basis of the performance results of the first quarter, first six months and first nine months of a fiscal year;

- 7.1.19. Distribution of profit, including payment (declaration) of dividends, except for profit distributed as dividends for the performance results of the first quarter, half-year, nine months of a fiscal year, and Company's losses in accordance with the performance results of a fiscal year;
- 7.1.20. Delegation of the powers of the sole executive body of the Company to a management company (manager);
- 7.1.21. Election and termination of office of the President of the Company (this subparagraph shall apply from July 01, 2016 inclusive);
- 7.1.22. Other matters envisaged by the Federal Law.
- 7.2. A General Meeting shall adopt resolutions on the matters put to the vote by a majority vote of the owners of voting shares in the Company participating in the General Meeting, unless a greater majority is required by this Charter or by the laws of the Russian Federation.
- 7.3. A resolution on the matters set forth in clauses 7.1.1-7.1.3, 7.1.5 and 7.1.15 hereof shall be adopted by a General Meeting by a three-quarter majority vote of the shareholders owning the voting shares in the Company participating in the General Meeting.
- 7.4. A resolution on the matters set forth in clauses 7.1.1-7.1.3, 7.1.6, 7.1.7, 7.1.12-7.1.14 and 7.1.16-7.1.20 hereof shall be adopted by a General Meeting only on the proposal of the Board of Directors.
  - 7.4.1. A resolution on the matter specified in clause 7.1.15 hereof shall become effective, provided only that the total number of shares, in relation to which the redemption claims have been made, does not exceed the number of shares, which can be redeemed by the Company subject to the limitation set in clause 5 of article 76 of the Federal Law.
- 7.5. A resolution of a General Meeting may be adopted without holding a meeting (without joint attendance of shareholders for the discussion of the items on the agenda and the adoption of resolutions put to the vote) by means of absentee voting.
- 7.6. Shareholders shall be informed of the resolutions adopted by a General Meeting and of the results of the voting pursuant to the procedure and within the time limits established by the Federal Law.
- 7.7. Determination of the quorum, counting of the voting results and other functions of the Counting Commission shall be performed by the Registrar of the Company.
- 7.8. The Company shall post the Meetings of the Meeting at the Company's site no later than two (2) days after the minutes have been made up.

## **8. BOARD OF DIRECTORS OF THE COMPANY**

- 8.1. The Company's Board of Directors (hereinafter the Board of Directors) shall be the collective management body of the Company and carry out the general management of the Company's activities, with the exception of the matters reserved by the Federal Law and this Charter for the General Meeting.
- 8.2. Members of the Board of Directors shall be elected at the annual General Meeting in accordance with the procedure established by the Federal Law and shall hold their office until the next annual General Meeting.
- 8.3. The Board of Directors shall consist of 13 members. The Board of Directors may recommend to the General Meeting to amend this Charter in order to change the number of members of the Board of Directors. The Board of Directors in the new numeric strength thereof shall be elected only after the adoption by the General Meeting of the relevant amendments to this Charter by the Meeting and state registration thereof. Until the Board of Directors in the new numeric strength is reelected, the authority and the procedure for the adoption of resolutions by the then current Board of Directors shall not change. The Board of Directors shall provide to the shareholders its recommendations with respect to candidates to the Board of Directors, including with respect to Independent Directors.
- 8.4. The Chairman of the Board of Directors shall be elected from among the members of the Board of Directors by a majority vote of all members of the Board of Directors. The Board of Directors shall be entitled at any time to re-elect its Chairman by a majority vote of all members of the Board of Directors.
- 8.5. In exercising their rights and performing their duties, members of the Board of Directors shall act in the interests of the Company and exercise rights and perform duties reasonably and in good faith in relation to the Company. They shall be liable to the Company for any losses to the Company caused by them. Members of the Company Board of Directors bear liability for proven instances of unreasonable bad faith or unreasonable actions with no exception to action (or omission) not complying with regular civil transactions or ordinary entrepreneurial risks. In such instances members of the Board of Directors who voted against the resolution that incurred losses on the Company, and those that acted in good faith by not voting shall not be made liable.
- 8.6. By a resolution of the General Meeting, during the period of performance of their duties the members of the Board of Directors may be paid remuneration and/or compensation for expenses related to their performance of the functions of the members of the Board of Directors; third party liability coverage may be acquired for the members of the Board of Directors in connection with performance of their activities, and agreements may be concluded with them for the indemnification of losses they may incur in connection with performance of their duties.
- 8.7. The Chairman of the Board of Directors, or, in his/her absence, one of the members of the Board of Directors elected by the Board of Directors shall organize the work of the Board of Directors, convene and hold its meetings, provide keeping of Minutes of meetings, perform the functions of the presiding person at meetings.
- 8.8. Meetings of the Board of Directors shall be held in accordance with this Charter as often as necessary but not less than once every six weeks. Meetings shall be convened

by the Chairman of the Board of Directors at his/her own initiative or at the request of a member of the Board of Directors, the Audit Commission, external auditor of the Company, the Management Board, the President or shareholders (or their representatives) holding in the aggregate at least ten per cent (10%) of ordinary shares in the Company. Such a request shall be submitted in writing and outline the reasons for convocation of the meeting.

The procedure for convening and holding the Board of Directors meetings shall be determined by the Company's internal document, the Regulations of the Board of Directors.

- 8.9. The Board of Directors may pass resolutions by absentee vote.
- 8.10. Resolutions of the Board of Directors shall be adopted by a majority vote of the members of the Board of Directors participating in the meeting, unless otherwise provided for by the laws of the Russian Federation or by this Charter.

Resolutions on the matters envisaged in clauses 9.3.5 of this Charter (with regard to submitting for Meeting's consideration the matters specified in clauses 7.1.1, 7.1.7, 7.1.17, 7.1.20), 9.3.8 (except for the cases where acquisition of shares, bonds and other securities placed by the Company is obligatory due to law), 9.3.11.2, 9.3.13, 9.3.15, 9.3.21, 9.3.22 (except for alterations and additions connected with change of the name, location, postal address, entry or change of the information on affiliates and representative offices), 9.3.25, 9.3.30, 9.3.33, 9.3.37, 9.3.39, 9.3.43 and 9.3.44 of this Charter shall be adopted by no less than 10 (ten) votes of the members of the Board of Directors.

A resolution on the matters provided for by clause 9.3.45 shall be passed by the Board of Directors by a vote majority of the elected members of the Board of Directors.

Until June 30, 2016 (inclusive) a resolution on the matters provided for by sub-clause 9.3.9.1 of this Charter, except for the matter related to election and termination of office of the President of the Company shall be passed by the Board of Directors by two-thirds vote majority of the elected members of the Board of Directors (with taking into account clause 8.11 of this Charter).

A resolution on the matter related to premature termination of office of the President of the Company shall be passed unanimously by all elected members of the Board of Directors.

If a resolution on the matter related to premature termination of office of the President has not been passed by the Board of Directors at the two running meetings held by the Board of Directors, the latter shall be bound to pass a resolution on convening an extraordinary General Meeting to elect new members of the Board of Directors, and the matter related to premature termination of office of the President may be again submitted to the Board of Director no earlier than when new members of the Board of Directors are elected.

- 8.11. Members of the Board of Directors acting concurrently as members of the Company's executive bodies shall not vote to determine the amount of remuneration and/or compensation payable to, or to approve the terms of agreements with, the President and members of the Company's Management Board.



- 8.12. When determining whether the quorum is present and results of the voting at the Board of Directors' meeting, a written opinion of a Board member absent from the Board meeting shall be taken into account provided that such written opinion was received by the Board of Directors before the meeting.
- 8.13. Each member of the Board of Directors shall have one vote at the Board meetings. At equality of votes when making a resolution, the Chairman of the Board of Directors shall not have a casting vote.
- 8.14. A meeting of the Board of Directors shall be competent (have the quorum), if at least one half of the elected members of the Board of Directors attend the meeting.

If the agenda of a meeting of the Board of Directors includes the matters specified in clause 9.3.1 of this Charter as well as matters related to submitting to the General Meeting any matters related to reorganization or liquidation of the Company, increase in the Company's Charter Capital, the meeting of the Board of Directors shall be competent (have the quorum), if at least two thirds of the elected members of the Board of Director attend the meeting, provided that at least one Independent Director participates in the meeting, if such member of the Board of Directors was elected and not considered as retired from the Board of Directors.

If the agenda of a meeting of the Board of Directors includes the matters specified in clause 9.3.5 (with regard to submitting to the General Meeting the matters specified in clauses 7.1.1, 7.1.7, 7.1.17, 7.1.20), 9.3.8 (except for the cases where acquisition of shares, bonds and other securities placed by the Company is obligatory due to law), 9.3.11.2, 9.3.13, 9.3.15, 9.3.21, 9.3.22 (except for alterations and additions connected with change of the name, location, postal address, entry or change of the information on affiliates and representative offices), 9.3.25, 9.3.30, 9.3.33, 9.3.37, 9.3.39, 9.3.43 and 9.3.44 of this Charter, the meeting of the Board of Director shall be competent (have the quorum), if at least 10 (ten) of the elected members of the Board of Directors attend the meeting.

If the agenda of a meeting of the Board of Directors includes the matters specified in subclause 9.3.9.1 of this Charter except for the matter related to election and termination of office of the President of the Company, the meeting of the shall be competent, if at least two thirds of the elected members of the Board of Directors attend the meeting.

If the agenda of a meeting of the Board of Directors includes the matter on election and termination of office of the President, the meeting of the Board of Directors shall be competent (have the quorum), if all elected members of the Board of Directors attend the meeting.

- 8.15. Save as defined for the purposes of interested-party transactions pursuant to Article 83 of the Federal Law, a member of the Board of Directors shall be qualified as an Independent Director if he/she (or his/her relative or affiliate) (an Independent Director):
  - (a) does not and, at any time during three years immediately preceding his/her election to the Board of Directors, did not hold an office in the Company's

management bodies (except as a member of the Board of Directors) and was not an employee of the Company;

- (b) is not an officer in another company, in which any of the officers of the Company is a member of the human resources and remuneration committee of such other company's Board of Directors;
- (c) is not a major shareholder owning, directly or indirectly (including through a beneficial ownership) and jointly with its affiliates, over 10% of voting shares in the Company or is not an affiliate or employee of such shareholder or a person, to whom such shareholder or its affiliates may issue binding instructions by virtue of a contract (except for affiliation as a member of the Board of Directors);
- (d) is not and, at any time during three years immediately preceding his/her election to the Board of Directors, was not a major counterparty of the Company, or a major shareholder (holding jointly with its affiliates, directly or indirectly through beneficial ownership, over 10% of the voting shares of such counterparty) or officer of a major counterparty of the Company, with an aggregate annual value of transactions between such counterparty and the Company of 10% or more of the book value of the Company's assets;
- (e) is not a party (or an employee of a party) to any obligations toward the Company, its affiliates or toward its or their officers, under the terms of which he/she may acquire property (receive cash) with the value of ten per cent (10%) or more of such person's total annual income, other than compensation for serving on the Board of Directors;
- (f) is not a representative of the State, i.e. a person representing the Russian Federation, subjects of the Russian Federation or municipal entities on the board of directors of a joint stock company, or a person elected to the board of directors from among the candidates nominated by the Russian Federation or subjects of the Russian Federation or a municipal entity, provided that such member of the Board of Directors must vote in accordance with written orders (instructions, etc.) of the Russian Federation, subject of the Russian Federation or municipal entity;
- (g) is not and at any time during three years immediately preceding his/her election to the Board of Directors was not an officer of any joint venture of the Company;
- (h) is not a director, trustee or employee of any non-profit organization receiving financial aid from the Company or any of its affiliates;
- (i) is not a Company's affiliate (except for affiliation as a member of the Company's Board of Directors).

If a member of the Board of Directors who meets the above criteria serves as member of the Board of Directors for a period of seven years, then upon the expiration of such period this member may no longer be recognized as an Independent Director for the aforementioned purposes.

For the purposes of this clause 8.15, a relative shall mean a spouse, parent, son (daughter), adoptive parent (adopted son or daughter), full or half brother (sister), parents of spouse of director, or his/her cohabitant.

An Independent Director shall refrain from actions that may compromise his/her independent status. If after the election of an Independent Director to the Board of Directors such director ceases to be an independent director due to any changes or new circumstances, such director shall promptly notify the Board of Directors thereof (through the Company Secretary) in writing and give a detailed account of all such changes and new circumstances.

- 8.16. Minutes of all meetings of the Board of Directors shall be kept in accordance with the procedure established by the Federal Law. All Minutes shall be signed by the person presiding at the meeting of the Board of Directors, who is responsible for the Minutes accuracy, and by the secretary of the Board of Directors.
- 8.17. In order to consider on a preliminary basis the most important matters and prepare recommendations for the Board of Directors for the purposes of making decisions on such matters, the Board of Directors shall establish Board of Directors Committees.

Committees of the Board of Directors shall be headed by members of the Board of Directors who are not members of the Company's executive bodies. Committees of the Board of Directors shall include Independent Directors as their members. A member of the Board of Directors may be a head of no more than two committees.

The Board of Directors of the Company shall approve the Regulations ruling the activities of the Board Committees. Such Regulations shall indicate the number of members in the relevant committee, the minimum number of Independent Directors that must be members of the respective committee, and shall contain other provisions relating to the activities of Board Committees.

Recommendations and draft resolutions of the Board of Directors proposed by the Board Committees shall be included by the Chairman of the Board of Directors into the materials connected with the agenda of a meeting of the Board of Directors without any change thereof.

- 8.18. Members of the Board of Directors must disclose the information on Company securities owned by them, transactions on Company securities carried out by them and on conclusion of contracts being derivative financial instruments, the underlying asset of which is such securities, as provided by the laws being in force.

## **9. AUTHORITY OF THE BOARD OF DIRECTORS**

- 9.1. The Board of Directors shall be authorized to make decisions related to the general management of the Company's activities, with the exception of the matters referred to the General Meeting.
- 9.2. Matters referred by the Federal Law and this Charter to the Board of Directors may not be delegated to the Company's executive bodies.
- 9.3. The following matters shall fall within the authority of the Board of Directors:

- 9.3.1. Determination of the Company's business priorities, development concepts and strategies and methods of their implementation, approval of the Company's plans and budgets, and approval of changes to the Company's plans and budgets;
- 9.3.2. Convocation of annual and extraordinary General Meetings, except for the cases set forth in the Federal Law;
- 9.3.3. Approval of the agenda of a General Meeting;
- 9.3.4. Determination of the date for making a list of persons entitled to participate in a General Meeting, and other issues referred to the Company's Board of Directors in accordance with the Federal Law and related to the preparation for, and holding of, a General Meeting;
- 9.3.5. Submission of the issues set out in clauses 7.1.1-7.1.3, 7.1.6, 7.1.7, 7.1.12-7.1.14 and 7.1.16-7.1.20 of this Charter for consideration by a General Meeting;
- 9.3.6. Placement by the Company of bonds and other issuable securities, including bonds convertible into shares and other issuable securities convertible into shares in the cases provided for in the Federal Law;
- 9.3.7. Determination of price (monetary value) of property and of the offering and/or price for buyout of issuable securities in the cases provided for in the Federal Law;
- 9.3.8. Acquisition of shares, bonds and other securities issued by the Company, in the cases provided for in the Federal Law;
- 9.3.9. Establishment of the Company's executive bodies and termination of their authority;
  - 9.3.9.1. election and termination of office of the President of the Company (prior June 30, 2016 inclusive), determination of the size of remuneration and compensation payable to him/her; approval and modification of an agreement determining the President's rights and obligations and cancellation of such agreement;
  - 9.3.9.2. determination of the number of members of the Management Board, election and termination of powers of members of the collective executive body – Company Management Board (upon presentation by the President of the Company), determination of the size of remuneration and compensation payable to the members of the Company's Management Board, and approval and modification of the agreement terms defining their rights and obligations and cancellation of such agreements;
- 9.3.10. Recommendations on the size of remuneration and compensation payable to members of the Audit Commission and determining the fee payable to the Company's external auditor;
- 9.3.11. Recommendations on the amount of dividends on shares;
  - 9.3.11.1. Recommendations on the amount of dividend payable in monetary form;
  - 9.3.11.2. Recommendations on the amount of dividend on shares payable in non- monetary form and procedure for payment thereof;

- 9.3.12. Use of the reserve fund and other funds of the Company;
- 9.3.13. Approval of the Company's internal documents, except for internal documents, the approval of which is reserved by the Federal Law for the General Meeting, and other internal documents the approval of which is reserved by this Charter for the Company's executive bodies;
- 9.3.14. Establishment (liquidation) of branches and opening (closing) of representative offices of the Company;
- 9.3.15. Making decisions (i) on Company's participation, change of its participation and termination of its participation in other organizations (excluding those listed in sub-clause 7.1.16 hereof), if such participation, change of the participation size or termination of participation are connected with acquisition or alienation of securities or participation shares in the charter capitals of business entities/organizations, (ii) on making Company's transactions (both individual and several mutually related) on acquisition, alienation or encumbrance of any securities (including shares in the Company, securities of a foreign issuer certifying the rights to shares in the Company, other securities convertible in shares in the Company) and participation shares in the charter capitals of business entities/organizations as well as (iii) on conclusion of contracts being derivative financial instruments in relation to securities, if the market value of the relevant securities/participation shares specified in sub-clauses (i)- (iii) above, exceeds the amount making up the equivalent of 5,000,000 (five million) USD at the exchange rate of the Central Bank of the Russian Federation as on the date of such decision.

This clause shall not apply, if the said transactions are to be approved in accordance with clause 9.3.21 of this Charter or constitute major transactions or interested-party transactions, approvable as provided by the laws being in force.

- 9.3.16. Approval of major transactions in the cases provided for by the Federal Law;
- 9.3.17. Approval of interested-party transactions in the cases provided for by the Federal Law;
- 9.3.18. Approval of the Company's Registrar and terms and conditions of the agreement therewith, as well as termination of agreement therewith;
- 9.3.19. Increase of the Company's charter capital by placing additional shares by the Company within the extent and categories (classes) of authorized shares;
- 9.3.20. Approval of a decision on the issue of securities by the Company, and approval of securities placement results report and securities prospectus in accordance with the federal laws and other regulations;
- 9.3.21. Approval of any transactions of the Company (both individual and several interrelated), the party to which is (i) a shareholder of the Company holding independently or jointly with its affiliates (disclosed to the Company or public) owning more than 5% of voting shares in the Company or (ii) person disclosed to the Company as affiliated person of the said Company shareholder, in each case except for major transactions and interested-party transactions approvable as provided by the laws being in force;

- 9.3.22. Introduction of amendments and supplements to the Company Charter in the cases provided for by the Federal Law;
- 9.3.23. Control over execution of budgets approved by the Board of Directors;
- 9.3.24. Approval of regulations of branches and representative offices of the Company;
- 9.3.25. Approval and modification of the Company's dividend policy;
- 9.3.26. Approval of internal control system and procedures, and approval of management information system;
- 9.3.27. Appointment (dismissal) of the Company's head of control and audit department, and determination of size of his/her remuneration;
- 9.3.28. Decision on statement of listing of shares in the Company and (or) issuable securities of the Company convertible into shares in the Company;
- 9.3.29. Approval of the Regulations on the Company's control and audit department;
- 9.3.30. Approval of any transactions of the Company (both individual and several interrelated), which value or value of acquired or alienated property exceed an amount making up the equivalent of 20,000,000 (twenty million) USD at the exchange rate of the Central Bank of the Russian Federation as on the date of the approval except for transactions made in the course of usual business activities.

This clause shall not apply, if the said transactions are to be approved in accordance with clauses 9.3.15, 9.3.21 or 9.3.39 of this Charter or constitute major transactions or interested-party transactions approvable as provided by the laws being in force;

- 9.3.31. Appointment (dismissal) of the Company Secretary, and definition of the terms and conditions of agreement with him/her including his/her remuneration;
- 9.3.32. Approval of the Regulations of the Company's Secretariat;
- 9.3.33. Approval of any transactions of the Company (both individual and several interrelated), including transactions made in the course of usual business activities which value or value of acquired or alienated property exceed an amount making up the equivalent of 200,000,000 (two hundred million) USD at the exchange rate of the Central Bank of the Russian Federation as on the date of the approval;

This clause shall not apply, if the said transactions are to be approved in accordance with clauses 9.3.15, 9.3.21, 9.3.30 or 9.3.39 of this Charter or constitute major transactions or interested-party transactions approvable as provided by the laws being in force;

- 9.3.34. Identification of the primary risks associated with the Company's activities and implementation of relevant risk management measures and procedures;
- 9.3.35. Approval of public relations and investor relations policy;

- 9.3.36. Supervision of the management and financial and economic activities of the Company, assessment of performance of the President and members of the Company Management Board of the Company, and control over execution of decisions made by the Board of Directors, review of quarterly reports on financial and economic activity of the Company submitted by the Management Board;
- 9.3.37. Approval of limits and counterparties for the transactions provided for by clause 9.4 of this Charter;
- 9.3.38. Establishment of Committees of the Board of Directors, approval of the regulations of such committees and termination thereof, election of chairmen of committees;
- 9.3.39. Approval of any transactions of the Company (both individual and several interrelated) on acquisition and (or) alienation by the Company of (i) enterprises and any other forms of participation in business (except for securities and participation shares), registered and (or) located outside the Russian Federation (irrespective of whether such business exists as a legal entity or not), (ii) exclusive rights to intellectual activity results or individualization facilities owned by the persons established outside the Russian Federation and not being citizens of the Russian Federation, (iii) any real property and land plots located outside the Russian Federation or other property, the ownership right to which is transferred from the time of the registration thereof in the official registers outside the Russian Federation, to use such property and (iv) any licenses, concessions and other rights to develop and mine minerals outside the Russian Federation, if the market value of the relevant property or rights specified in sub-clauses (i)-(iv) above exceed an amount making up 5,000,000 (five million) USD at the exchange rate of the Central Bank of the Russian Federation as on the date of the transaction approval.

This clause shall not apply, if the said transactions are to be approved in accordance with clauses 9.3.15, 9.3.21 of this Charter or constitute major transactions or interested-party transactions approvable as provided by the laws being in force;

- 9.3.40. Election and dismissal of a deputy (deputies) Chairman of the Board of Directors;
- 9.3.41. Appointment and dismissal of the Secretary of the Board of Directors;
- 9.3.42. Approval of instructions for the Company's voting at general meetings of shareholders (participants) of other business entities, in the charter capital of which the Company holds shares (participatory interests), on matters related to a change of size of the charter capital, reorganization or liquidation of such entities and on the conclusion by Russian companies of transactions deemed major in accordance with Federal Law, as well as on the conclusion by foreign companies of transactions subject to approval by the Company as a shareholder participant) in such foreign companies in accordance with the jurisdiction of their incorporation except for the cases provided for in clause 9.3.43.
- The present item is not valid if the transactions stipulated by item one of the present clause are made between the Company and one or several Key companies of the Group on one hand and one or several Key companies of the Group, on the other hand;
- 9.3.43. Matters related to the procedure of Company's voting at general meetings of shareholders (participants) of the Key Companies of the Company Group, which shares

(participation interests in the charter capital) are owned by the Company, on the matters:

- (i) on making changes in and additions to the charter of such companies or approval of the charter except for changes and additions connected with change of the charter capital ( subject to Company's holding directly or indirectly (through other legal entities) 100% of voting shares (shares in the authorized capital) in such Key Company both prior to and in accordance with results of the change of the charter capital), change of the name, location, postal address, introduction or change of the information on branches and representative offices;
- (ii) on approval or introduction of changes in the internal documents regulating the activities of the bodies of such companies and accounting policy;
- (iii) on sales strategy;
- (iv) on termination of the powers of the management company of such companies;
- (v) on approval of transactions of such companies meeting the criteria specified in clauses 9.3.15, 9.3.21, 9.3.30, 9.3.33 and 9.3.39 of this Charter.
- (vi) On approval of allocations and contracting parties for transactions specified in clause 9.4 of this Charter;

The Key Companies of the Group in this Charter shall imply the companies, in which the Company owns directly or indirectly (through other legal entities) 50% of voting shares (participation interests in the charter capital).

- 9.3.44. Approval and modification of the Company's sales strategy;
- 9.3.45. Election and termination of office of two heads of the subdivisions of the Service of Control (Controllers), Approval of the Regulations of the Service of Control and making of changes therein.
- 9.4. Transactions of the Company or Key Companies of the Company's Group meeting the criteria specified in clause 9.3.33 of this Charter, shall not require approval thereof by the Company's Board of Directors, if such transactions are made within the activities provided for by clauses 3.2(54) – 3.2(57) of this Charter, with counterparties and within the limits approved by the Board of Directors of the Company except where such transactions are to be approved by the Board of Directors of the Company due to the requirements of law.
- 9.5. Transactions of the Company or Key Companies of the Company Group meeting the criteria specified in clauses 9.3.8, 9.3.15, 9.3.21, 9.3.30, 9.3.33, 9.3.39 and 9.3.43 (v) of this Charter shall not require approval by the Board of Directors, if they are made between the Company and one or several Key Companies of the Group, on the one part, and one or several Key Companies of the Group on the other part, except for the cases where such transactions are to be approved by the Board of Directors of the Company due to the requirements of law.
- 9.6. The interrelated transactions for the purposes of this article 9 shall imply the transactions concluded with the same person or its affiliated persons (disclosed to the Company or in public) simultaneously or within a short period (maximum 3 months):



- (i) similar by legal nature or
  - (ii) if such transactions: interdependent and/or provide for the same obligation and/or made in relation to the similar assets or dissimilar assets, but supposing the use thereof for the same designated purpose (for example, dissimilar property making up the uniform production complex).
- 9.7. The transactions made in the course of usual business activities of the Company for the purposes of this article 9 shall imply the transactions made within the core types of Company's activities specified in clause 3.2 of the Company's Charter (except for the types of activities specified in sub-clauses (34), (39) and (44) of clause 3.2 of the Company's Charter), including transactions on Company's acquisition of raw stock and materials, work and services required for fulfillment of production and commercial operations, for realization of finished products, on obtaining and granting of trade and commercial credit and use of bank overdrafts related to settlement account used to service the Company's current activities.

## **10. EXECUTIVE BODIES OF THE COMPANY**

- 10.1. The management of the Company's day-to-day operations shall be carried out by the President of the Company (the sole executive body) and the Management Board of the Company (the collective executive body). The President of the Company (hereinafter the President) and the Management Board of the Company (hereinafter the Management Board) shall perform their duties in strict compliance with the Federal Law, other laws and regulations of the Russian Federation, this Charter, internal documents of the Company and agreements to be concluded with the President and members of the Management Board.
- 10.2. Rights and obligations of the President and members of the Management Board with regard to the management of day-to-day operations of the Company shall be regulated by the Federal Law, other regulations of the Russian Federation, this Charter, internal documents of the Company and an agreement determining their rights and obligations to be concluded between the Company and every such officer. The said agreements shall be signed by the Chairman of the Board of Directors or another person authorized by the Board of Directors. By the Resolution of the Board of Directors, during the period the President and members of the management Board perform their duties, the Company may acquire third party liability coverage in connection with their performance as members of the Company's executive bodies, and may enter into agreements with them on the indemnification by the Company of losses they may incur in connection with performance of their duties.
- 10.3. The President shall be elected by the Board of Directors for an indefinite term. The Board of Directors shall have the right to terminate the authority of the President at any time.

Beginning from July 01, 2016 (inclusive) the President shall be elected by the General Meeting for an indefinite term; the General Meeting may terminate the authority of the President at any time. Beginning from July 01, 2016 the preceding paragraph of this clause shall not apply.

The members of the Management Board shall be elected by the Board of Directors for an indefinite term. The Board of Directors may terminate the authority of the members of the Management Board at any time.

- 10.4. The President shall act on behalf of the Company without a power of attorney, including, among other things, representing the Company's interests, entering into transactions on behalf of the Company, taking decisions on participation, modification of participation size and termination of participation of the Company in other entities (except for the entities specified in subclause 7.1.17 and in the events specified in subclause 9.3.15 of this Charter), approving manning schedules, issuing orders and giving instructions binding on all employees of the Company, approving internal documents of the Company that regulate production, technological, financial, accounting, economic, personnel, social, labor, health and safety and records management issues, and shall make decisions concerning other aspects of the Company's day-to-day operations, unless this Charter reserves such decisions for a General Meeting, the Board of Directors or the Management Board.
- 10.5. The President shall perform functions of the Chairman of the Management Board.
- 10.6. With regard to the matters reserved to the Management Board, the President shall act in accordance with decisions of the Management Board.
- 10.7. The Management Board shall manage the Company's operations within the limits of its authority as determined by this Charter, and shall ensure the implementation of resolutions adopted by the General Meeting and the Board of Directors.
- 10.8. The following matters shall fall within the authority of the Management Board:
  - 10.8.1. Preparation of draft amendments to the Company Charter for their further review by the Board of Directors;
  - 10.8.2. Preparation and presentation of quarterly reports on financial and economic activity of the Company to the Board of Directors;
  - 10.8.3. Preparation of recommendations on entering into the following transactions the approval of which is reserved for a General Meeting or the Board of Directors:
    - (i) important transactions
    - (ii) interested party transactions which cost or the cost of acquired or alienated property in line with these transactions is superior to the amount equivalent to USD 5 000 000 (Five million) at the rate of RF Central Bank as to the date of preparation of proposals;
    - (iii) liable to approval in compliance with items 9.3.15, 9.3.21, 9.3.30, 9.3.33 and 9.3.39 of the present Charter.
  - 10.8.4. Analysis and appraisal of the results of the Company's financial and economic operations, including the results of performance of the earlier approved plans and programs; review of reports and other information on the performance of the Company, its subsidiaries, branches and representative offices;
  - 10.8.5. Development of proposals on the use of the reserve fund of the Company;
  - 10.8.6. Preliminary review of materials to be presented at the Board of Directors' meeting in connection with determining the Company's business priorities, development concept

and strategies, as well as methods of their implementation, approval of the Company's plans and budgets as well as approval of changes in the Company's plans and budgets;

- 10.8.7. Decisions on appointment and dismissal of heads of branches and representative offices of the Company, definition of their labour agreement conditions.
- 10.8.8. Preliminary review of instructions for the Company's voting at general meetings of shareholders (participants) of other business entities, by shares (participation interests in the charter capital), which are owned by the Company, in the events provided for by clause 9.3.42 of this Charter.
- 10.9. In exercising their rights and performing their duties, the President and members of the Management Board shall act in the Company's interests, and exercise their rights and perform their duties in good faith and reasonably in relation to the Company. They shall be liable to the Company for any losses to the Company caused by them. Members of the Company Management Board bear liability for proven instances of unreasonable bad faith or unreasonable actions with no exception to action (or omission) not complying with regular civil transactions or ordinary entrepreneurial risks. In such instances members of the Management Board who voted against the resolution that incurred losses on the Company, and those that acted in good faith by not voting shall not be made liable.
- 10.10. The President shall be held liable for organizing the work involving the use of information considered as state secret, as well as for implementation of a system for protecting such information; he/she shall arrange for proper recording and maintenance of employees' personal documents and ensure that the Company and its employees duly perform their responsibilities arising under the Federal Law On Defense.
- 10.11. The President and members of the Management Board shall be bound to disclose the information on Company securities owned by them, transactions made by them on Company securities and on conclusion of contracts being derivative instruments, which underlying assets are such securities, as provided by the laws being in force.

## **11. COMPANY SECRETARY**

- 11.1. The Company Secretary shall be elected by the Board of Directors for a term of three years. The Board of Directors may terminate the powers of the Company Secretary at any time.
- 11.2. The Company Secretary shall:
  - (1) Provide control over the compliance by the Company's bodies and officers with the procedure requirements guaranteeing the exercise of the rights and interests of shareholders in the Company;
  - (2) Control the preparation for and holding of General Meetings in accordance with the requirements of applicable laws of the Russian Federation, this Charter and internal documents of the Company;
  - (3) Provide assistance to members of the Board of Directors in performing their functions;

- (4) Provide custody of the Company's constituent documents, minutes of General Meetings and meetings of the Board of Directors, voting ballots, and powers of attorney (copies thereof) for participation in General Meetings;
- (5) Supervise the disclosure (presentation) of information about the Company as requested by shareholders, federal executive body regulating the securities market, and other state authorities;
- (6) Direct the operations of the Company's Secretariat;
- (7) Review requests of the Company's shareholders on the issues arising in connection with their registration for participation in General Meetings;
- (8) Certify extracts from resolutions of the management bodies of the Company and copies of documents.

## **12. CONTROL OVER FINANCIAL AND ECONOMIC OPERATIONS OF THE COMPANY**

- 12.1. The Control over financial and economic operations of the Company shall be carried out by the Audit Commission.
- 12.2. The General Meeting shall elect the Audit Commission of five (5) members. The procedure of its activities shall be defined by the Regulations of the Audit Commission approved by the General Meeting.  
  
Members of the Audit Commission may not at the same time be members of the Board of Directors or hold any other positions in the Company's management bodies.
- 12.3. The Audit Commission shall audit the Company's performance annually upon completion of a fiscal year or at any other time at the initiative of the Audit Commission, upon a resolution of the General Meeting or the Board of Directors, or upon the request of shareholders holding in the aggregate not less than ten per cent (10%) of voting shares in the Company.
- 12.4. At the request of the Audit Commission, members of the Company's management bodies shall make available documents on financial and economic operations of the Company.
- 12.5. An external auditor shall audit financial and economic operations of the Company in accordance with regulations of the Russian Federation on the basis of a contract to be entered into between the Company and the auditor.
- 12.6. Based on the results of the audit of financial and business operations, the Audit Commission and external auditor shall issue reports, the contents of which shall be determined by federal laws and other regulations of the Russian Federation.
- 12.7. The Audit Commission and the external auditor shall be entitled to demand convocation of an extraordinary General Meeting in accordance with the procedures established by the Federal Law.

### **13. ACCOUNTING AND REPORTING OF THE COMPANY**

- 13.1. The Company shall keep accounting records and submit financial statements as provided for by the Federal Law and other regulations of the Russian Federation.
- 13.2. The Company shall keep its documents and provide access to these documents for shareholders as provided for by the Federal Law and other laws and regulations of the Russian Federation.
- 13.3. The President of the Company shall be responsible, as provided for by the Federal Law, other regulations and the Charter of the Company, for organization, condition and reliability of the accounting records of the Company, as well as for the timely filing of the annual report and other financial statements with the relevant authorities and for submission of the information on the Company's operations to shareholders, creditors and mass media.
- 13.4. Members of the Board of Directors and executive bodies of the Company may not disclose any confidential or insider information, except in cases where such disclosure is required by applicable laws of the Russian Federation, and may not use confidential or insider information for any purposes not related to their professional activities. The insider information shall mean any precise and specific information, which has not been distributed or made available (including information considered as commercial and other secret protected by law), the disclosure of which may have a significant impact on the price of financial instruments, foreign currency and (or) goods and which is referred to the information included in the corresponding list of insider information specified in law.
- 13.5. Members of the Board of Directors and executive bodies of the Company shall be liable for disclosure of confidential and insider information in accordance with applicable laws of the Russian Federation.
- 13.6. The annual report of the Company shall be subject to prior approval by the Board of Directors at least thirty (30) days prior to the date of the annual General Meeting. The annual report of the Company shall contain (inter alia) the list of shareholders holding five per cent (5%) or more of voting shares in the Company according to the register of the Company shareholders, and report of the Board of Directors.
- 13.7. The following documents shall be kept by the Company:
  - (1) The Charter of the Company; all duly registered changes and amendments to the Company Charter; resolution on the establishment of the Company; and the certificate of the state registration of the Company;
  - (2) Documents confirming the Company's title to property recorded on its balance sheet;
  - (3) Internal corporate documentation of the Company;
  - (4) Regulations of branches and/or representative offices of the Company;

- (5) Annual reports;
  - (6) Accounting records;
  - (7) Financial statements;
  - (8) Minutes of General Meetings, meetings of the Board of Directors, the Audit Commission and the Management Board;
  - (9) Voting ballots and powers of attorney (copies thereof) for participation in General Meetings;
  - (10) Reports of independent appraisers;
  - (11) Lists of the Company's affiliates;
  - (12) List of persons entitled to attend General Meetings, to receive dividends, as well as other lists made by the Company in order to secure the shareholders' rights in accordance with the requirements of the Federal Law;
  - (13) Reports of the Audit Commission, the external auditor of the Company, as well as opinions of state and municipal financial control agencies;
  - (14) Securities prospectuses, issuer's quarterly reports and other documents containing information subject to publication or disclosure by other methods in accordance with the Federal Law and other federal laws;
  - (15) Notices of the conclusion of shareholders' agreements sent to the Company and lists of the persons who have concluded such agreements;
  - (16) Judicial acts on disputes connected with the establishment of the Company, management of the Company or participation in the Company;
  - (17) Other documents as provided for in the Federal Law, the Company Charter and internal documents, resolutions of the General Meetings and Board of Directors, organs of control of the Company, as well as documents contemplated by laws and regulations of the Russian Federation;
- 13.8. The Company shall provide its shareholders with access to the documents referred to in Section 13.7 hereof, provided that the accounting records and Minutes of meetings of the Management Board may only be made available to shareholder(s) owning in the aggregate at least twenty-five per cent (25%) of voting shares in the Company.
- 13.9. The Company shall be bound to disclose:
- (1) Annual report of the Company, its annual account statements;
  - (2) Securities prospectus to issue shares of the Company in the cases provided for by laws and regulations of the Russian Federation;
  - (3) Notice of a General Meeting as required by the Federal Law and this Charter;

- (4) Lists of the Company's affiliates as provided by the legal acts of the Russian Federation;
  - (5) Other information as may be required by applicable laws and regulations of the Russian Federation.
- 13.10. The Company's affiliates shall notify the Company in writing of any shares they hold in the Company, indicating the number and category (type) of such shares, not later than ten (10) days from the date of their acquisition.

If as a result of a failure to provide or untimely provision of the aforementioned information through the affiliate's fault the Company suffers property damage or loss, such affiliate shall be held liable to the Company to the extent of such damage.

#### **14. FINAL PROVISIONS**

14.1. Upon a resolution of a General Meeting, the Company may be reorganized in accordance with the procedures established by laws and other regulations of the Russian Federation.

14.2. The Company may be liquidated:

- on a voluntary basis upon a resolution of a General Meeting in accordance with the procedures set forth by the Civil Code of the Russian Federation and subject to the requirements of the Federal Law and this Charter;
- upon a court's order on the grounds set forth by the Civil Code of the Russian Federation.

Liquidation of the Company shall entail its termination without universal legal succession of rights and obligations by any successors.

14.3. In the event of a change of the ownership structure, or reorganization or liquidation of the Company, or upon termination of operations involving the use of state secrets, the President shall take necessary steps to ensure protection of such information and carriers thereof.

14.4. The Company has the following separate subdivisions in the form of branches:

- (1) Polar Division of Public Joint-Stock Company Mining and Metallurgical Company Norilsk Nickel (PJSC MMC Norilsk Nickel): 2 Gvardeyskaya Square, city of Norilsk, 663302;
- (2) Krasnoyarsk Transport Branch of Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel (Krasnoyarsk Transport Branch of PJSC MMC Norilsk Nickel): 2d Kommunalnaya Street, city of Krasnoyarsk, Krasnoyarsk Region, 660059;
- (3) Murmansk Transport Branch of Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel (Murmansk Transport Branch of PJSC MMC Norilsk Nickel): 29 Portovy Proezd, city of Murmansk, 183038;

- (4) Archangelsk Transport Branch of Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel (Arkhangelsk Transport Branch of PJSC MMC Norilsk Nickel): 12 Kosmonavta Komarova Street, city of Archangelsk, 163026;
- (5) Norilskenergo – a branch of Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel (Norilskenergo - branch of PJSC MMC Norilsk Nickel): 19 Veteranov Street, city of Norilsk, Krasnoyarsk Region, 663310, Russian Federation;
- (6) Polar Transport Branch of Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel (Polar Transport Branch of PJSC MMC Norilsk Nickel): 43 Sovetskaya Street, city of Dudinka, Krasnoyarsk Region, 647000, Russian Federation.

14.5. The Company has a separate subdivision in the form of representative office:

Krasnoyarsk Representative Office of Public Joint Stock Company Mining and Metallurgical Company Norilsk Nickel (Krasnoyarsk Representative Office of PJSC MMC Norilsk Nickel): 2a Kopylova Street, city of Krasnoyarsk, Krasnoyarsk Region, 660021, Russian Federation.