

APPROVED

**by the Decree of the Federal Agency for
State Property Management
No. 499-p dated 30.06.2018**

ARTICLES OF ASSOCIATION

of

Zarubezhneft Joint Stock Company

new version No 3

Moscow
2018

GENERAL PROVISIONS

- 1.1. Zarubezhneft Joint Stock Company (hereinafter referred to as the “Company”) is established by reorganization of, and is the successor to the state enterprise “Russian Foreign Economic Association “Zarubezhneft” on the basis of the Decree of the President of the Russian Federation No. 137 dated 03.02.2004, Resolution of the Government of the Russian Federation No. 316-p dated 04.03.2004 and Decision of the Federal Agency for State Property Management No. 437-p dated 04.10.2004.
- 1.2. The Russian Federation represented by the Federal Agency for State Property Management is the Founder of the Company.
- 1.3. The company is a non-public one.

2. NAME AND REGISTERED ADDRESS OF THE COMPANY

- 2.1. The full firm name of the Company in Russian is Акционерное общество «Зарубежнефть».
- 2.2. The short firm name of the Company in Russian is АО «Зарубежнефть».
- 2.3. The full name of the Company in English is Zarubezhneft Joint Stock Company.
- 2.4. The short name of the Company in English is Zarubezhneft JSC.
- 2.5. The Company’s registered address is: bld. 1, 9/1/1, Armiansky per., Moscow, the Russian Federation

3. LEGAL STATUS OF THE COMPANY. RIGHTS AND OBLIGATIONS OF THE COMPANY

- 3.1. The Company is a legal entity. The Company owns solitary assets accounted for in its independent balance, and is liable to the full extent of its property, it may on its own behalf acquire and exercise civil rights, and bear civil responsibility, be complainant or defendant in court.
- 3.2. The Company has a seal, stamps and letterheads with its name, a trademark registered under the established procedure, it also may have its own logo and other means of visual identification.
- 3.3. The Company is deemed to be established, and the information on it entered into the unified state register of legal entities from the date of the respective record in this register.
- 3.4. The Company in its activity follows the legislation of the Russian Federation and the present Articles of Association.
- 3.5. The Company is entitled to open bank accounts in and outside the territory of the Russian Federation under the established procedure.
- 3.6. The Company implements measures for civil defense and mobilization training in accordance with the legislation of the Russian Federation.
- 3.7. The Company implements the works connected with the use of information constituting the state secret.

4. OBJECTIVES AND SUBJECT OF THE COMPANY’S ACTIVITIES

- 4.1. The main objectives of the Company’s activities are organisation of the effective work in the Russian Federation and abroad in order to satisfy social needs in the Company’s activities

results and to receive profits, taking into account securing of the state interests of the Russian Federation.

4.2. The priority fields of the Company's activities are:

- exploration, development and operation of oil and gas fields abroad;
- design, construction and operation of oil processing entities, tank farms and pipeline systems;
- application of the advanced russian technologies for oil field development;
- development of modern methods for oil recovery enhancement in order to expand exports of hi-tech services;
- export-import operations in delivery of the technological equipment.

4.3. Types of the Company's activities are:

- Prospecting and exploration of oil, gas and gas condensate fields, including site surveys and geophysical surveys (space and aerial mapping, gravimetrical prospecting, seismic and geochemical surveys, etc.), all kinds of prospect and exploration drilling;
- Participation in joint ventures on the territory of the Russian Federation and abroad;
- Drilling, testing, operation, repairs and abandonment of parametric, exploration, structural, observation, production and injection wells;
- Facilitation of oil, gas and gas condensate fields, including construction of field pipelines, facilities for collection, separation, preparation, measuring and transportation of oil, gas, condensate and associated water, for water, gas and other working agent injection, as well as construction of auxiliary production objects, personnel facilities, housing and other non-production facilities (canteens, shops, medical and educational institutions);
- Production, preparation, transportation, storage and marketing of oil, gas, condensate and other mineral resources;
- Extraction of subsurface waters, preparation and water injection from the surface and subsurface springs;
- Construction of off-shore facilities (platforms and substructures) for drilling wells, oil, gas and condensate production, water injection and sea shipping of the products;
- Design, construction and operation of transportation systems and pipeline transportation systems, including subsea pipelines, port facilities (oil loading terminals), pumping stations, storage facilities, measuring units;
- Construction, reconstruction and operation of oil processing establishments;
- Processing of oil, gas and condensate, and realization of processed products;
- Exercising functions of an authorised organisation, engaged in rendering assistance in securing the interests of the Russian Federation in the preparation and implementation of production sharing agreements regarding subsurface blocks and hydrocarbon raw material fields;
- Foreign economic activities, including export (import) of hydrocarbons and hydrocarbon processing products, including the state (federal) share of hydrocarbons, produced at the fields, developed under production sharing agreements, as well as export (import) of products of production and civil purposes, technologies, design and survey works and services;

- Investment management, engineering, technological and service support of exploration, production, processing and sale projects, economic and legal support of the Company and subsidiaries;
- Management of activities of subsidiaries with a view to extract profits;
- Research and development works and experiments aimed at improving existing and creating new methods and technical means for prospecting, exploration, development and operation of oil, gas and gas condensate fields;
- Development of design estimates for exploration works, facilitation and development of fields, construction, reconstruction, technical re-equipment, capital repairs of establishments of production and non-production purposes, performing project expertise, prepared by the contractors;
- Production, assembling, engineering set-up and operation of equipment for prospecting, production, preparation, transportation, storage, processing and marketing of hydrocarbons, as well as auxiliary equipment and equipment of civil purpose;
- Transportation activity, including construction, repairs and maintenance of automobile and rail roads, access roads, transshipping bases, ports, acquisition and operation of land and sea means of transport, transportation of cargo (including oversized and dangerous) and passengers;
- Procurement for the implemented works, including receipt, handling, storage, distribution and usage of lubricants, explosives, chemical agents, as well as other types of materials and equipment;
- Services on providing security of works and fulfilling the requirements of subsurface and environment preservation, including development of instructions, production, acquisition, installation and operation of the respective technical means;
- Exercising functions of a customer – developer for constructions and commissioning of wells and other objects of production and non-production purposes;
- Repairs and production of instruments and accessories for the production needs;
- Check-up, calibration and repairs of measuring devices for physical-chemical, technological parameters and electrical volumes, metrological provision of production;
- Geodetic survey and mapping;
- Assembling, operation and repairs of electrical equipment, gas industry equipment and hoisting gear;
- Expertise of safety at and of industrial establishments (entities), equipment and works in the oil and gas sectors;
- Operation, repairs and maintenance of motor and machinery, floating facilities;
- Organisation of training and preparation for personnel with necessary clearance, certificates, licenses and other permissive documents of the authorised bodies;
- Selection and assigning Russian specialists for work abroad;
- Environmental monitoring;
- Emergency, saving and recovery works;
- Providing communication, including construction, lease and operation of telephone, telegraph, mobile and space communication, providing communication services to legal entities and individuals;

- Production of, transmitting, marketing, buying and exchanging electrical power;
 - Production and processing of construction materials (sand, gravel, chalk, etc.), forest, production of concrete, bricks, timbering and construction installations on their basis;
 - Providing consulting, marketing, informational, engineering and other services;
 - Commercial and intermediate activities and leasing activities;
 - Advertising activities, including organisation, holding and participating work of exhibitions, workshops, symposium and other events on the territory of the Russian Federation and abroad, publishing printed, video and audio putout, TV and radio broadcasting;
 - Transactions with securities;
 - Providing financial services and performing investment activities, development and implementation of investment projects;
 - Providing stevedoring and forwarding services;
 - Charitable activities.
 - Activity of developing physical training and sports, including participation in all-Russian sectoral physical training and sport societies and corporate physical training and sport societies for the purposes of developing mass sports, forming and sending sport teams for participation in official sport contests of regional and all-Russian levels.
- 4.4. The right of the Company to perform the activities requiring a special permit (license), membership in a self-regulating organization, certificate of such organization for the access to the appropriate type of work, accrues from the date of such permit (license) or within the term specified therein, or from the date the Company joins the self-regulating organization, or the date of the certificate for the access to the appropriate type of work issued by the self-regulating organization, and lapses upon termination of the permit (license), membership in the self-regulating organization, or termination of the certificate of such organization for the access to the appropriate type of work issued by the self-regulating organization.
- 4.5. The Company is entitled to perform other types of activities, not prohibited by the law of the Russian Federation.

5. RESPONSIBILITY OF THE COMPANY

- 5.1. The Company is liable under its obligations with all the assets owned by it.
- 5.2. Shareholders are not liable under obligations of the Company, and the Company is not liable under obligations of its shareholders, except for the cases provided by the Civil Code of the Russian Federation or other law.
- 5.3. The State and its authorities do not bear responsibility under the liabilities of the Company as well as the Company does not bear responsibility under the liabilities of the state and its authorities.

6. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY. SUBSIDIARIES.

- 6.1. The Company can establish branches and open representative offices in the territory of the Russian Federation and abroad under the established procedure.

The establishment of branches and opening of representative offices outside the territory of the Russian Federation is performed by the Company also in compliance with the legislation of a foreign country where branches or representative offices are located, unless otherwise is provided by an international treaty of the Russian Federation.

6.2. Branches and representative offices of the Company implement their activities on behalf of the Company.

The Company bears responsibility for the activities of its branches and representative offices.

6.3. Branches and representative offices act on the basis of provisions approved by the Board of Directors of the Company. Branch manager and head of the representative office are appointed by the General Director of the Company and act on the basis of the power of attorney issued by the Company.

6.4. Branches and representative offices are not legal entities. The Company provides its branches and representative offices with assets which are accounted for in their separate balance sheets and in the balance sheet of the Company.

6.5. The Company can have subsidiary companies in the territory of the Russian Federation, established in accordance with the legislation of the Russian Federation, and outside the territory of the Russian Federation – in accordance with the legislation of a foreign country where the subsidiary company in question is located, unless otherwise is provided by an international treaty signed by the Russian Federation.

6.6. Subsidiary companies are not accountable for the Company's debts. The Company is jointly and severally liable together with its subsidiary company under the bargains made by the latter on pursuance of instructions of the Company or on its consent.

7. AUTHORISED CAPITAL

7.1. The authorised capital of the Company is 50 729 067 000 (Fifty Billion Seven Hundred Twenty Nine Million Sixty Seven Thousand) Rubles. The authorised capital is divided into 50 729 067 (Fifty Million Seven Hundred Twenty Nine Thousand Sixty Seven) non-documentary ordinary registered shares par value of 1000 (One Thousand) Rubles each.

The authorised capital of the Company is made up by par value of the Company's ordinary shares, acquired by shareholders (allotted shares).

7.2. The amount of the authorised capital can be increased by increasing par value of the allotted shares or by allotting supplement shares.

7.3. The increase in the amount of the authorised capital of the Company by increasing par value of shares is implemented only at the account of the Company's assets.

7.4. The Company has the right to, and in cases provided by the legislation of the Russian Federation must reduce its authorised capital.

7.5. The amount of the authorised capital of the Company can be reduced by reducing par value of shares or by redeeming part of the shares to reduce their total number.

7.6. Reduction of the authorised capital of the Company is permitted after notification of all its creditors in the order determined by law of the Russian Federation.

7.7. The general meeting of shareholders shall take decision on reducing the authorised capital by canceling the shares:

- Bought by the Company and not distributed within one year from the moment of purchase;

- Redeemed by the Company and not distributed within one year from the moment of purchase.

8. SHARES OF THE COMPANY. RIGHTS OF THE SHAREHOLDERS.

- 8.1. All Company's shares are ordinary registered shares. The shares of the Company are issued in a non-documentary form.
- 8.2. Shareholders of the Company being the holders of ordinary shares of the Company have the right:
- To participate in management of Company's affairs;
 - To participate in the general meeting of shareholders of the Company with the voting right in reference to the issues of its competence;
 - To participate in distribution of profit of the Company;
 - To receive part of the Company's assets remained after settlements with creditors or its cost, in case of its liquidation;
 - To receive the information on the Company's activities and to examine its accounting or other documentation according to the procedure established by the legislation of the Russian Federation.
 - Appeal against decisions of bodies of the Company resulting in the civil law consequences in the cases and according to the procedure established by the legislation of the Russian Federation.

Shareholders may have other rights, provided by these Articles and the legislation of the Russian Federation.

The shares, which the Company is entitled to distribute additionally to the already distributed shares (stated shares), confer the rights equivalent to the rights, conferred by the distributed ordinary registered shares of the Company.

- 8.3. Each ordinary share of the Company gives the shareholder who holds it the same volume of rights.
- 8.4. If supplement shares are paid off by non-monetary instruments the pecuniary valuation of the assets deposited to pay off the shares is performed by the Board of Directors of the Company based on their market value, which is determined in accordance with the legislation of the Russian Federation on the valuating activities.

9. BONDS AND OTHER EMISSION SECURITIES OF THE COMPANY

- 9.1. The Company can allot bonds and other emission securities provided by the legislation of the Russian Federation on securities.

The Company is entitled to allot its bonds only after the authorised capital is fully paid off.

- 9.2. The Company may not allocate bonds and other emission securities convertible in the shares of the Company, if the number of declared shares of the Company of the certain categories or types is less than the number of shares of these categories and types, the right to acquire which is granted by such securities.

10. THE COMPANY'S DIVIDENDS

- 10.1. According to the results of the first quarter, six months, nine months of a financial year and (or) according to the results of a financial year the Company is entitled to take decisions (declare) on the payment of dividends under the allotted shares, unless otherwise is provided by the legislation of the Russian Federation. The decision on the payment (declaration) of dividends based on the results of the first quarter, six months, nine months of a financial year, can be taken within three months from the end of the respective financial period.
- 10.2. The dividends are paid in a monetary form. The source of payment of dividends is the profit of the Company after taxation (net profit of the Company). The net profit of the Company is determined according to the data of accounting (financial) statements of the Company.
- 10.3. The decision on the payment (declaration) on dividends is taken by the general meeting of the Company's shareholders. The mentioned decision should determine the amount of the dividend, the form of payment and the date as of the persons entitled to receive dividends are determined. At the same time, the decision in respect of date as of the persons entitled to receive dividends are determined is taken under the recommendation of the Company's Board of Directors. The date as of, in accordance with the decision on payment (declaration) of dividends, the persons entitled to receive dividends are determined, may not be established earlier than in 10 days from the date of the decision on payment (declaration) of dividends, and later than 20 days from the date of such a decision.
- 10.4. The amount of dividend cannot exceed the amount of the dividend, recommended by the Company's Board of Directors. Payment of dividends in monetary form is to be made by bank transfer by the Company or by its order by the registrar keeping the register of shareholders of such company, or by a credit organization.
- 10.5. The term of payment of dividend to the persons registered in the register of shareholders shall not exceed 25 business days from the date as of the persons entitled to receive dividends are determined.
- 10.6. The Company is not entitled to decide on the payment (declaration) of dividends on the shares:
 - Before the authorised capital of the Company is fully paid up;
 - Before the redemption of all shares, that must be redeemed in accordance with the legislation of the Russian Federation;
 - If as of the date of such decision the Company shows signs of insolvency (bankruptcy) in accordance with the legislation of the Russian Federation on insolvency (bankruptcy), or if the Company shows such mentioned signs as a result of the payment of dividends;
 - If as of the date of such decision the cost of the Company's net assets is less than the amount of its authorised capital and reserve, or becomes less than their size as a result of passing such decision;
 - In other cases, provided by the legislation of the Russian Federation.
- 10.7. The Company does not have the right to pay the declared dividends on the shares:
 - If as of the date of payment the Company shows signs of insolvency (bankruptcy) in accordance with the legislation of the Russian Federation on insolvency (bankruptcy) or if the Company shows such mentioned signs as a result of the payment of dividends;
 - If as of the date of such payment the cost of the Company's net assets is less than the amount of its authorised capital and the reserve or becomes less as a result of the payment of dividends;

- In other cases, provided by the legislation of the Russian Federation.
- If the circumstances, described herein, cease to exist, the Company shall pay the declared dividends to its shareholders.

11. FUNDS AND NET ASSETS OF THE COMPANY

- 11.1. The Company establishes a reserve fund in the amount of 50 (fifty) percent of the Company's authorised capital.
- The reserve fund of the Company is formed by requisite annual payments in the amount of 10 (ten) percent of net profits until the established amount is reached.
- The reserve fund of the Company is meant for covering the Company's losses as well as redeeming bonds and shares of the Company in case of insufficiency of other funds. The reserve fund shall not be used for other purposes.
- 11.2. In accordance with the procedures, provided by the legislation of the Russian Federation the Company is entitled to establish other funds, necessary for its activities.
- 11.3. The cost of the Company's net assets is assessed under the accounting report in the procedures, established by the legislation of the Russian Federation.
- 11.4. If after the end of the second and each following accounting year the cost of the net assets of the Company is less than its authorised capital, the Company shall, according to the procedure and within the time limits determined by the legislation of the Russian Federation, increase the cost of its net assets up to the amount of the authorised capital, or to register the reduction of the authorised capital.
- 11.5. If the cost of the net assets of the Company becomes less than the minimum amount of the authorised capital, the Company shall be subject to liquidation in accordance with the procedure established by the legislation of the Russian Federation.

12. REGISTER OF THE COMPANY'S SHAREHOLDERS

- 12.1. In accordance with the requirements of the legislation of the Russian Federation the Company provides maintaining and keeping the register of the Company's shareholders.
- 12.2. Registrar is a holder of register of shareholders of the Company.

13. MANAGEMENT BODIES OF THE COMPANY

- 13.1. Management bodies of the Company are:
- General meeting of shareholders;
 - Board of Directors;
 - General Director (sole executive body).
- 13.2. Control over the financial and business activities of the Company is implemented by the Inspection Commission.

14. GENERAL MEETING OF SHAREHOLDERS

- 14.1. The supreme management body of the Company is the general meeting of shareholders.
- 14.2. Competence of the general meeting of shareholders includes the following issues:

- (1) determination of the priority lines of activity of the Company, principles of formation and use of the Company property.
- (2) making changes and amendments to the Articles of Association of the Company or approve the Company's Articles of Association in a new wording;
- (3) reorganization of the Company;
- (4) liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;
- (5) election of members of the Board of Directors and early termination of their powers;
- (6) determination of the amount, par value, category (type) of the stated shares and rights, conferred by those shares;
- (7) increase of the amount of the authorised capital of the Company by increasing par value of shares or by placement of supplement shares;
- (8) reduction of the amount of the authorised capital of the Company by reducing par value of shares by acquisition by the Company of a part of shares with a view to reduce their total amount, in particular by cancellation of the shares acquired or redeemed by the Company;
- (9) establishment of the sole executive body of the Company, preliminary termination of its powers;
- (10) election of members of the inspection commission of the Company and early termination of their powers;
- (11) approval of the Company's auditor;
- (12) payment (declaration) of dividends, based on the results of the first quarter, six months, nine months of a accounting year;
- (13) approval of annual report, annual accounting (financial) statements, as well as distribution of profits (including payment (declaration) of dividends, except for payment (declaration) of dividends based on the results of the first quarter, six months, nine months of a accounting year) and loss of the Company based on the results of a accounting year;
- (14) determining the holding procedure of the general meeting of shareholders of the Company;
- (15) election of members of the returning board and early termination of their powers;
- (16) split and consolidation of shares;
- (17) adoption of a decision about the consent to making or subsequent approval of transactions in cases provided by Article 83 of the Federal Law "On Joint Stock Companies";
- (18) adoption of the decisions about the consent to making or subsequent approval of large-scale transactions in cases provided by Article 79 of the Federal Law "On Joint Stock Companies";
- (19) acquisition by the Company of the allotted shares;
- (20) adoption of the decision on participation in financial and industrial groups, associations and other blocks of business organizations;
- (21) approval of internal documents regulating activities of the Company's bodies;
- (22) adoption of the decision on application about listing of shares of the Company and (or) emission securities of the Company converted into its shares.
- (23) adoption of the decision on application about delisting of shares of the Company and (or) emission securities of the Company converted into its shares.

- (24) deciding on other issues provided by the legislation of the Russian Federation.
- 14.3. Issues, referred to the competence of the general meeting of shareholders cannot be transferred for consideration to the Board of Directors or the executive body of the Company, unless otherwise is stipulated by the legislation of the Russian Federation.
- 14.4. Decision of the general meeting of shareholders on the issue put to vote is approved by the majority vote of shareholders – holders of the Company’s voting shares, unless otherwise is prescribed by the legislation of the Russian Federation.

15. BOARD OF DIRECTORS OF THE COMPANY

15.1. Board of Directors of the Company is a collegial body of management and provides the general management of the Company’s activities except for deciding on the issues referred to the competence of the general meeting of shareholders.

The Board of Directors of the Company consists of 7 persons.

15.2. Competence of the Board of Directors of the Company includes the following issues:

- (1) convening annual and extraordinary general meetings of shareholders except for the cases, provided by Clause 8 Article 55 of the Federal Law “On Joint Stock Companies”;
- (2) approval of agenda of the general meeting of shareholders;
- (3) determining the date of making the list of persons, entitled to being present at the general meeting of shareholders, and other issues, related to the competence of the Board of Directors of the Company in accordance with provisions of chapter VII of the Federal Law “On Joint Stock Companies” and connected with the preparation and holding general meeting of shareholders;
- (4) approval of the company's corporate strategy and monitoring over its implementation;
- (5) adoption of business plans, investment programs and long-term programs of the Company's development, key performance indicators and monitoring their implementation;
- (6) Approval of dividend policy of the Company (Dividend Policy Regulations);
- (7) Establishment of committees of Company Board of Directors, election of members of committees of Company Board of Directors, approval of Regulations of committees of Company Board of Directors;
- (8) Approval of internal regulatory documents of the Company pertaining to issues of motivation, amount and procedure of remuneration payment to executive staff of the Company;
- (9) Exercise of control over proper organization and efficient functioning of the system of information disclosure by the Company and provision of shareholders’ access to information of the Company; approval of Information Policy of the Company;
- (10) Approval of Regulations of Procurement in the Company, review of the report on procurement operations in the Company;
- (11) Approval of internal regulatory documents of the Company in the sphere of internal audit, risk management and internal control; approval of internal regulatory documents of the Company setting forth principles and approaches towards organization of management (settlement) of internal conflicts in the Company; control over efficient functioning of these systems;
- (12) Making decision to appoint the leader of the Internal Audit function to the position and remove from the position held;

- (13) Recommendations to sole executive authority of the Company on any matters of Company's operations;
- (14) determination the price (pecuniary valuation) of assets, price of allotment and purchase of securities in cases, provided under the Federal Law "On Joint Stock Companies";
- (15) buying shares, bonds and other emission securities, placed by the Company, in the cases prescribed by the legislation of the Russian Federation;
- (16) recommendations on the amount of fees and compensations, paid to the members of the inspection commission of the Company, and determination of the amount paid for the auditor's services;
- (17) recommendations on the amount of dividends under shares and their payment procedure;
- (18) application of the reserve fund and other funds of the Company;
- (19) establishing and liquidating branches and representative offices of the Company;
- (20) making a decision about consent to approval or about subsequent approval of large-scale transactions in the cases provided by chapter X of the Federal Law "On Joint Stock Companies";
- (21) making a decision about consent to approval or about subsequent approval of transactions provided by chapter XI of the Federal Law "On Joint Stock Companies";
- (22) approving the registrar of the Company and the terms and conditions of the contract with him, as well as termination of the contract;
- (23) adoption of decisions on participation and termination of participation of the Company in other entities, except for the organizations specified in subitem 20 item 14.2 article 14 of this Articles of Association;
- (24) allotment by the Company of supplementary shares in which the preference shares of a certain type placed by the Company are converted, which are convertible into the common shares or preference shares of other types, if such allocation is not related to the increase of the authorized capital of the Company, and placement of bonds and other emission securities, except for shares, by the Company;
- (25) determining the viewpoint of the Company (representatives of the Company) in reference to a point of agenda at the general meeting of shareholders (members) and meeting of the Board of Directors of subsidiary and subject companies as for liquidation and reorganization of the subsidiary and subject companies;
- (26) passing decisions on alienation of shares of joint stock companies, held by the Company;
- (27) bringing to the general meeting of shareholders matters concerning restructuring or liquidation of the Company, increase or reduction of the authorized capital of the Company, and making amendments to the Articles of Association of the Company;
- (28) other issues, which under the legislation of the Russian Federation, Articles of Association, lie within the exclusive competence of the Board of Directors of the Company.

The issues, lying within the competence of the Board of Directors of the Company cannot be transferred for decision to the executive body of the Company.

- 15.3. The order of activity of the Board of Directors of the Company is established by the Regulation "On the Board of Directors of the Company", which is approved by the general meeting of shareholders.
- 15.4. Members of the Board of Directors elect one their number to be chairman of the Board of Directors by the majority of votes of the total number of members of the Board of Directors.

The Board of Directors of the Company is entitled at any time to reelect its chairman by the majority votes of the total number of votes of the Board of Directors.

The Chairman of the Board of Directors organizes the work of the Board of Directors, convenes meetings of the Board of Directors and presides over these meetings, organizes keeping minutes of meetings of the Board of Directors, and presides over the general meeting of shareholders. In case of absence of the Chairman of the Board of Directors his functions are exercised by one of the members of the Board of Directors on the decision of the Board of Directors.

A person exercising functions of the General Director may not be the Chairman of the Board of Directors at the same time.

- 15.5. Meetings of the Board of Directors are convened by the Chairman of the Board of Directors at his own initiative, at the request of a member of the Board of Directors, inspection commission of the Company or auditor of the Company, or by the General Director of the Company.
- 15.6. Decision of the Board of Directors of the Company may be passed by an absentee vote (by poll).
- 15.7. The decision of the Board of Directors of the Company passed by poll is deemed to be valid, if not less than a half of the elected members of the Board of Directors participated in the voting.
- 15.8. The quorum of the meeting of the Board of Directors of the Company shall constitute not less than a half of the elected members of the Board of Directors.
In case the number of members of the Board of Directors becomes less than the number of members constituting the quorum, the Board of Directors of the Company shall have to pass the decision to hold an extraordinary meeting of shareholders in order to elect a new membership of the Board of Directors. The remained members of the Board of Directors are entitled to pass the decision on convening such extraordinary general meeting of shareholders only.
- 15.9. Decisions of the Board of Directors on matters indicated in Subparagraphs 5, 6, 14, 17, 23, 25, 27 of Paragraph 15.2 of these Articles of Association shall be taken by qualified majority of members of the Board of Directors (three fourths of votes of all elected members of the Board of Directors).
Decision of the Board of Directors on matters indicated in Subparagraphs 20 and 21 of Paragraph 15.2 of these Articles of Association shall be adopted in the manner prescribed by the Federal Law "On Joint Stock Companies."
- 15.10. Minutes of a meeting which are composed not later than within 3 days from the date of the meeting of the Board of Directors and signed by the chairman of the meeting is kept at the meeting of the Board of Directors.
- 15.11. At the proposal of the General Director of the Company the Board of Directors approves the nomination of the Secretary of the Board of Directors of the Company. The powers of the Secretary of the Board of Directors are determined by the Regulation "On the Board of Directors of the Company".

16. EXECUTIVE BODY OF THE COMPANY

16.1. Management of the current activities of the Company is exercised by the General Director of the Company (sole executive body), who is accountable to the Company's Board of Directors and general meeting of shareholders.

In case the General Director is unable to perform his duties, the Board of Directors is entitled to pass the decision on establishing a temporary executive body of the Company and holding an extraordinary general meeting of shareholders for the purpose of early termination of powers of the General Director and establishing a new sole executive body of the Company.

Temporary executive body of the Company exercises general management of the current activities of the Company within the limits of competence of the executive body of the Company, unless the competence of the temporary executive body of the Company is limited by the Company's Articles of Association.

16.2. General Director of the Company is elected by the general meeting of shareholders for 5 years.

16.3. General Director of the Company:

- (1) Provides the fulfillment of decisions passed at the general meeting of shareholders and Board of Directors of the Company;
- (2) Enters into agreements and executes other transactions according to the procedure established by the Federal Law "On Joint Stock Companies" and these Articles of Association;
- (3) Is the employer's representative in executing a joint agreement under the procedure established by the legislation of the Russian Federation;
- (4) Submits for consideration of the Board of Directors issues on the advisability and necessity to reevaluate the Company's fixed assets in the cases provided by the legislation;
- (5) Approves rules, instructions and other internal documentation of the Company, except for the documents to be approved by the general meeting of shareholders and Board of Directors of the Company;
- (6) Determines the organizational structure of the Company, approves the staff list of the Company, as well as its branches and representative offices;
- (7) Hires and dismisses employees, including hiring and dismissing managers of branches and representative offices of the Company;
- (8) Applies to the employees incentive measures and imposes penalties according to the procedure and on terms provided in the existing labor legislation, as well as internal documents of the Company;
- (9) Opens current, currency and other accounts of the Company;
- (10) Issues powers of attorney on behalf of the Company;
- (11) Provides organisation and maintenance of accounting and statements of the Company;
- (12) Submits for consideration of the Company's Board of Directors the annual report of the Company not later than 35 (thirty five) days prior the date of the annual general meeting of shareholders of the Company;
- (13) Provides organisation and planning of work of departments, branches and representative offices of the Company, exercises control over their activities;
- (14) Participates in the preparation and holding of general meetings of shareholders;
- (15) Provides deposits of tax amounts and other compulsory payments to the budgets, determined by the legislation of the Russian Federation;
- (16) Provides application of profits in accordance with decisions of general meeting of shareholders;

- (17) Establishes safe working conditions for the employees of the Company;
 - (18) Provides protection of the state and commercial secrets, as well as confidential information or private information the disclosure of which may cause damage to the Company or to the Russian Federation. General Director is personally liable for the organization of work and creation of conditions on protection of the state secrets in the Company, for non-observance of the limitations determined by the legislation in reference to access to the data constituting the state secret;
 - (19) Determines types of incentive and compensatory payments (additional payments, bonuses, premiums, etc.), procedure and terms of their application, and determines forms, system and amount of wages of the Company's employees;
 - (20) Independently determines additional vacations, shortened work day and other privileges for the employees of the Company;
 - (21) Solves other issues of the current activities of the Company.
- 16.4. General Director acts on behalf of the Company without the power of attorney.
- 16.5. General Director determines the viewpoint of the Company (representatives of the Company) on the agenda issues at the general meeting of shareholders (participants) and meeting of board of directors of subsidiary companies, unless the Company's Articles of Association refers such powers to the competence of the Company's Board of Directors.
- 16.6. General Director of the Company is entitled to appoint an individual discharging responsibilities of General Director of the Company for the period of his/her vacation, business trip and any other short-term absence.

17. RESPONSIBILITY OF MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL DIRECTOR OF THE COMPANY

- 17.1. Members of the Company's Board of Directors and General Director of the Company, in exercising their rights and fulfilling their duties, shall act in the interests on the Company, exercise their rights and fulfill duties reasonably and in good faith. They are liable to the Company for the loss incurred by their culpable actions (or inaction).
- 17.2. Member of the Board of Directors does not bear liability in case he/she voted against the decision entailed infliction of losses to the Company or did not participate in voting, acting in good faith.
- 17.3. Executive bodies of the Company are liable for reliability of the information included into the accounting statements of the Company.

18. ACCOUNTING AND REPORTING OF THE COMPANY. DOCUMENTATION OF THE COMPANY.

- 18.1. The Company keeps accounting records and submits accounting (financial) statements under the procedure and in terms determined by the legislation of the Russian Federation.
- 18.2. In accordance with the legislation of the Russian Federation and the Company's Articles of Association the executive body of the Company (General Director of the Company) is liable for the organization, condition and reliability of the accounting records of the Company, timely submission of accounting (financial) statements to the respective authorities, as well as the data on the Company's activities presented to shareholders, creditors and mass media.

- 18.3. The Company without fail provides the necessary disclosure of the information about itself and its activities in case and according to the procedure determined by the legislation of the Russian Federation.
- 18.4. Results of the Company's activities are indicated in the documents being the accounting statements of the Company, as well as in the annual report.
- 18.5. The Company shall engage an audit firm not connected by property interests with the Company or its shareholders for the annual audit of annual accounting (financial) statements.
- 18.6. Annual statements of the Company are to be preliminary approved by the Board of Directors of the Company not later than 30 days prior to the date of the annual general meeting shareholders.
Reliability of information, indicated in the annual report of the Company and the annual accounting (financial) statements, shall be confirmed by the inspection commission of the Company.
- 18.7. Financial year of the Company begins on January, 1, and ends on December 31.
- 18.8. For the purpose of exercising the state, social, economic and fiscal policy the Company provides security, keeping in the necessary condition, long-term holding and use (issuing certificates at the request of legal and natural entities) of documents on the personnel. In accordance with the procedure provided by the legislation of the Russian Federation, documents on the personnel of the Company are transferred for the state archiving.
The list of documents, terms of their keeping and destruction are determined in accordance with the procedure, established by the legislation of the Russian Federation.
- 18.9. The Company shall keep documents stipulated by laws of the Russian Federation, the Company's Articles, internal documents of the Company, and resolutions of the General Meeting of Shareholders, the Board of Directors of the Company and management authorities of the Company.
- 18.10. Laws of the Russian Federation shall determine the procedure of access of Company shareholders to documents of the Company.

19. CONTROL OVER FINANCIAL AND BUSINESS ACTIVITIES OF THE COMPANY

- 19.1. Control over the financial and business activity of the Company is exercised by the inspection commission consisting of three persons, who are elected by the general meeting of shareholders till the next annual general meeting of shareholders.
Members of the inspection commission may not be members of the Board of Directors or hold any other offices in the management bodies of the Company at the same time.
- 19.2. Members of the inspection commission are responsible for conscientious fulfillment of their duties under the procedure, determined by the legislation of the Russian Federation.
- 19.3. In the course of performance of the functions vested in the inspection commission it may engage specialists from among the persons not occupying any offices in the Company.
- 19.4. The order of activity of the inspection commission is determined by the internal document of the Company (Regulation on the inspection commission of the Company) approved by the general meeting of shareholders.
- 19.5. Audit (inspection) of the financial and business activity of the Company is performed on the basis of the results of its activities for the respective year, as well as at any time on the initiative of the inspection commission of the Company, decision of the general meeting of

shareholders, the Board of Directors or on demand of the shareholder (shareholders) holding jointly not less than 10 (ten) percent of the Company's voting shares.

According to the decision of the general meeting of shareholders members of the inspection commission may be remunerated and (or) compensated as to all the expenses related to the fulfillment of their duties during the period of performance of their duties. The size of such remuneration and compensation is determined by the decision of the general meeting of shareholders.

- 19.6. On demand of the inspection commission the persons holding offices in the management bodies of the Company shall present the required documentation on the financial and business activities of the Company.
- 19.7. Inspection commission inspects observance by the Company of legislative and other regulatory acts regulating its activity, legality of operations performed by the Company, condition of funds and property.
- 19.8. Documented results of inspections performed by the inspection commission are to be presented to the Board of Directors of the Company and the General Director of the Company to take the necessary measures.
- 19.9. On the results of the inspection, in case any threat to the interests of the Company or its shareholders arises, or any misuse by officials is discovered, the inspection commission may demand convocation of an extraordinary general meeting of shareholders.
- 19.10. To examine the financial and business activity of the Company and confirm the reliability of its annual financial statements the Company engages a professional auditor who has a license to perform such activities, on a contract basis.
- 19.11. The auditing organisation is to be approved by the general meeting of shareholders. A contract for the mandatory audit of accounting (financial) reporting of the Company is to be entered into in accordance with the requirements of the legislation of the Russian Federation.
- 19.12. The opinions made by the inspection commission and the auditing organisation on the basis of the results of the audit of the financial and business activities of the Company shall contain:
 - a) confirmation of reliability of the information in the reports and other financial documentation of the Company;
 - b) the information about the facts of violation of the procedure of accounting keeping and the procedure for submitting the financial statements established by the legislation of the Russian Federation, as well as violation of the legislation in the course of financial and business activities.

20. REORGANIZATION AND LIQUIDATION OF THE COMPANY

20.1. The Company may be reorganized voluntarily under the procedure provided by the Federal Law "On Joint Stock Companies".

Other grounds and procedure of reorganization of the Company are determined by the Civil Code of the Russian Federation and other federal laws.

Reorganization of the Company may be implemented in the forms stipulated by the legislation of the Russian Federation.

20.2. Except for the cases of reorganization in the form of consolidation the Company shall be considered reorganized from the moment of the state registration of the legal entities established in the course of reorganization.

In the event of reorganization of the Company by affiliation of another company to it, the first of them is considered reorganized from the moment of the entry on termination of activities of the acquired company made into the uniform state register of legal entities.

In case of reorganization of the Company these Articles of Association shall be amended with the necessary provisions, and all the documents still valid shall be transferred to the successor of the Company according to the established procedure.

20.3. The Company may be liquidated voluntarily under the procedure established by the Civil Code of the Russian Federation considering the requirements of the Federal Law “On Joint Stock Companies” and the Company’s Articles of Association. The Company may be liquidated by court decision on the grounds provided in the Civil Code of the Russian Federation.

Liquidation of the Company entails its termination without the transfer of rights and obligations to other persons under the succession procedure.

In case of voluntary liquidation of the Company the Board of Directors of the liquidated Company shall submit the decision on the liquidation of the Company and appointment of the liquidation committee for consideration of the general meeting of shareholders.

The general meeting of shareholders of the voluntary liquidated Company shall take the decision on the liquidation of the Company and appointment of the liquidation committee.

20.4. From the moment of appointment of the liquidation committee it obtains all the rights to manage affairs of the Company. Liquidation committee appears in court on behalf of the liquidated Company.

20.5. Liquidation of the Company shall be considered completed, and the Company terminated from the moment of entering of the respective entry into the uniform state register of legal entities by the state registration authority.

20.6. In case of the liquidation of the company personnel lists and other documents of the Company provided by the regulations of the Russian Federation are transferred to the respective archives for state archiving according to the established procedure.

20.7. In case of reorganization or liquidation of the Company, as well as termination of work comprising the information being the state secret, the Company shall provide the safety of this information and their carriers by developing and taking measures for confidentiality, information protection, counteraction against the foreign technical intelligence, for security and fire safety.

Federal Tax Service Interdistrict Inspectorate No. 46

for the city of Moscow

name of the registering authority

Entry was made in the Unified State Register of Legal Entities on 10.08.2018

primary state registration number 1047708046870

entry state registration number 8187748547979

Original document is kept in the registering authority.

Chief State Tax Inspector

Title of the authorized person of the registering authority

Zhelnova N.A.

surname, initials

/signature/

signature

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Federal Tax Service Interdistrict Inspectorate No. 46 for the city of Moscow

/signature/

10 August 2018

Inspector/File Clerk

Tulskaya L.A.

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