



Annex 2

A MODEL COMPANY CHARTER

Approved
by the General Meeting of Shareholders
of the Open Joint Stock Company «_____»

Minutes of the [Annual or Extraordinary]
General Meeting of Shareholders

No. _____
of _____ 200_

dated this ___ day of _____, 200_
[The Company's Seal]

C H A R T E R

of the Open Joint Stock Company
«_____»

The city of _____
_____, 200_



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Article 1. General Provisions

- 1.1. «_____», an Open Joint Stock Company (hereinafter the Company), was established pursuant to the decision of _____ [enter the name of the governing body that approved the decision] dated as of _____ [enter date].
- 1.2. The Company shall be governed by the present charter (hereinafter the Charter) and any applicable provisions of the Civil Code of the Russian Federation, the Federal Law on Joint Stock Companies, the Federal Law on the Securities Market, and other legislation of the Russian Federation, as well as any other legal acts and regulations adopted pursuant thereto (hereinafter the Law). The Charter also takes into account the recommendations of the Russian Code of Corporate Conduct as developed by the Federal Commission for the Securities Market (hereinafter the FCSM Code).
- 1.3. The duration of the Company shall be unlimited unless reorganized or liquidated pursuant to the Charter and the Law.

Article 2. The Name and Location of the Company

- 2.1. The full registered name of the Company is:
 - 2.1.1. Открытое акционерное общество «_____» (in Cyrillic letters);
 - 2.1.2. Open Joint Stock Company «_____» (in Latin letters).
- 2.2. The abbreviated registered name of the Company is:
 - 2.2.1. ОАО «_____» (in Cyrillic letters);
 - 2.2.2. OJSC «_____» (in Latin letters).
- 2.3. The Company's location and postal address is _____, the Russian Federation, being the location where the Company is registered and where the General Director is located. The Company shall notify the competent registration authorities of its postal address and any changes thereto in the established manner.
- 2.4. The Company has a branch [or a representative office] in the following location in the Russian Federation [and abroad]_____.¹

Article 3. The Purpose and Activities of the Company

- 3.1. The principal purpose of the Company shall be _____ in order to earn profits.
- 3.2. The Company may engage in the following activities with the aim of accomplishing its principal purposes as set forth in Article 3.1. above, while operating within the parameters set forth in the Law and subject to obtaining all necessary licenses or permits:
 - 3.2.1. Conduct all activities related to _____;
 - 3.2.2. _____;
 - 3.2.3. _____;
 - 3.2.4. _____; and

¹ Law on Joint Stock Companies (LJSC), Article 5, Clause 6, provides that information about a company's branches and representative offices must be included in the charter. If the Company does not have branches and/or representative offices, the charter may include a provision that no branches and representative offices have been established.

- 3.2.5. Carry out any and all other activities not prohibited by the Charter or the Law within the Russian Federation or beyond its borders for the accomplishment of the Company's purposes.

Article 4. Charter Capital, Securities, and Funds of the Company

- 4.1. The charter capital of the Company (hereinafter the Charter Capital) shall consist of the nominal value of all shares issued to shareholder(s) and amounts to _____ [in digits] (_____) [in words] Rubles, being the equivalent of _____ [in digits] (_____) [in words] U.S. dollars [alternatively, in Euros] at the official exchange rate of the Central Bank of the Russian Federation on the date of the state registration of the Company's Charter.²
- 4.2. All shares of the Company are registered shares. The Charter Capital is divided into _____ [in digits] (_____) [in words] shares of common stock, each share having a nominal value of _____ [in digits] (_____) [in words] Rubles, and _____ [in digits] (_____) [in words] shares of preferred stock of class A, each share having a nominal value of _____ [in digits] (_____) [in words] Rubles, and _____ [in digits] (_____) [in words] shares of preferred stock of class B, each share having a nominal value of _____ [in digits] (_____) [in words] Rubles, the total value of which comprises one hundred percent (100%) of the Charter Capital.
- 4.3. In addition to the aforementioned issued shares, the Company shall be authorized to issue _____ [in digits] (_____) [in words] additional shares of common stock having a nominal value of _____ [in digits] (_____) [in words] Rubles per share,³ _____ [in digits] (_____) [in words] shares of preferred stock of class A, each share having a nominal value of _____ [in digits] (_____) [in words] Rubles, and _____ [in digits] (_____) [in words] shares of

² This is recommended in cases where the company's charter includes assets denominated in foreign currency.

³ LJC, Article 27, Clause 1. This provision is optional. However, the company may wish to include such a provision in the charter to ease its ability to increase the charter capital, which is only possible within the limits of the authorized charter capital and authorized shares.

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preferred stock of class B, each share having a nominal value of _____ [in digits] (_____) [in words] Rubles (the “Authorized Common Shares” [and “Authorized Preferred Shares”, respectively]) granting the same rights as issued shares, by decision of the [General Meeting of Shareholders (hereinafter the GMS) < or > Supervisory Board].⁴

4.4. Once the initial Charter Capital has been paid in full:

4.4.1. The Company is authorized to issue options for the acquisition of shares of the Company.⁵ If the Company issues options to acquire shares, the number of authorized shares cannot be less than the number of shares that can be acquired if the options are exercised. The Company may issue options to acquire shares of a specific type and class if the number of shares included in such options does not exceed 5% of the placed shares of that type and class;

4.4.2. The Company shall be authorized to increase its Charter Capital by decision of the GMS⁶ or the Supervisory Board either by:

4.4.2.1. Increasing the nominal value of the Company’s issued shares; or

4.4.2.2. Issuing additional shares in one or more installments, however, subject to the limitations contained in the Charter regarding the total number of Authorized Shares [and Authorized Preferred Shares], and with a corresponding amendment of the Charter.⁷

⁴ LJSC, Article 27, Clause 1. This provision is optional. However, the company may wish to include such a provision in the charter to make it easier to increase the charter capital, which is only possible within the limits of the authorized charter capital and authorized shares.

⁵ Law on the Securities Market, Article 27.1. The regulation of stock options is a novelty in Russian practice. For this reason, the charter provides guidance on how it can be reflected in the Charter.

⁶ LJSC, Article 28, Clause 2; Article 48, Clause 1, Section 6. This provision is optional. The authority to increase the charter capital may be delegated to the Supervisory Board by the charter or by decision of the GMS (LJSC, Article 12, Clause 2; Article 28, Clause 2). The Supervisory Board may increase the charter capital only by issuing authorized shares.

⁷ LJSC, Article 27. Note the requirement of LJSC, Article 27, Clause 2 that, in the case of issuing convertible securities, the number of authorized shares of the specific type and class may not be less than the number of shares needed for conversion. The GMS may also increase the number of authorized shares and issue these shares at the same time. Note that there are anti-dilution rules where the state holds 25% of shares (LJSC, Article 28, Clause 6).

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- 4.5. The Charter Capital may be decreased by decision of the GMS either by decreasing the nominal value of shares or by purchasing a portion of shares for the purpose of reducing the total number of outstanding shares.
- 4.6. Payment for the shares so purchased may be made in cash, securities, assets or property rights, or other rights having monetary value.
- 4.7. The value of any subsequent contributions in-kind to the Charter Capital shall be determined by the Supervisory Board in accordance with the Law. In cases of in-kind contributions to the Charter Capital, their valuation shall be based on an appraisal by an Independent Appraiser.
- 4.8. The Company must establish a reserve fund in the amount of _____ [in digits] (_____) [in words] percent of the Charter Capital.⁸
- 4.9. Annual deductions from the net profits of the Company to be transferred to the reserve fund shall be _____ [in digits] (_____) [in words] percent of the net profits until the reserve fund reaches the amount stipulated by Article 4.8 hereof.⁹

Article 5. Rights and Obligations of Shareholders and Dividends

- 5.1. Each common share shall entitle its owner to equal rights. Each common share grants its owner one vote at the GMS on all matters,¹⁰ and the right to receive dividends and a portion of the Company's assets in the event of the Company's liquidation.
- 5.2. Preferred shares of the same class possess the same rights and have the same nominal value. Preferred shares have no voting rights at the GMS unless otherwise provided for by the Law.

⁸ LJSC, Article 35, Clause 1 provides that the reserve fund may not be less than 5% of the charter capital. In addition, the company may establish other funds that are not required by legislation.

⁹ LJSC, Article 35, Clause 1 provides that the annual deductions from the net profits of the company to the reserve fund may not be less than 5% of the net profits.

¹⁰ The exception to the principle of one share-one vote is cumulative voting.

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- 5.2.1. Class A preferred shares¹¹ entitle their owners, relative to the owners of common shares and other classes of preferred shares, with first priority for receiving dividends and receiving the liquidation value of shares belonging to them.¹²
- 5.2.2. The dividend on each preferred share of class A is ____ [in digits] (_____) [in words] Rubles per year, payable annually no later than ____ [in digits] (_____) [in words] days after the date of the GMS.¹³
- 5.2.3. Any unpaid dividends or dividends not fully paid on class A preferred shares shall accumulate and be paid once the decision to pay dividends on shares of class A is made.
- 5.2.4. The liquidation value of each class A preferred share is ____ [in digits] (_____) [in words] Rubles.¹⁴
- 5.2.5. Each class A preferred share entitles its owner to ____ [in digits] (_____) [in words] votes on all issues on which class A preferred shares provide the right to vote.
- 5.2.6. Class B preferred shares¹⁵ grant their owners second priority for receiving payments for dividends and receiving the liquidation value of shares belonging to them, that is, they receive such payments only after the payment of dividends on class A preferred

¹¹ Class A preferred shares in this case are cumulative preferred shares. LJSC, Article 32, Clause 3 provides that the charter may have a provision for the conversion of preferred shares of a specific class into common shares or preferred shares of another class. If this is provided, the charter must specify the procedure for conversion, in particular, the number, type, and class of the shares into which they are converted and other conversion terms. It is prohibited to amend the said provisions of the charter after the decision is made to float converted preferred shares.

¹² These are only some of the preferences that can be provided for preferred shares. The charter may provide other or additional preferences for preferred shares.

¹³ The charter may provide other ways of determining the amount of dividends to be paid on preferred shares of each class, for example, a percentage of net profits. The period between declaration and the actual payment of dividends shall not exceed 60 days as recommended by the Federal Commission for the Securities Market's Code of Corporate Conduct (FCSM Code), Chapter 9, Section 2.1.3.

¹⁴ The charter may provide other ways of determining the liquidation value to be paid on preferred shares of each class. For example, the percentage of assets left after the satisfaction of claims of creditors can be distributed equally between the owners of class A preferred shares.

¹⁵ Class B preferred shares in this case are non-cumulative preferred shares.

- shares and payment of the liquidation value of class A preferred shares has been completed.
- 5.2.7. The dividend on each preferred share of class B is ____ [in digits] (_____) [in words] Rubles per year, payable annually no later than ____ [in digits] (_____) [in words] days after the date of the GMS.¹⁶
- 5.2.8. The liquidation value of each class B preferred share is ____ [in digits] (_____) [in words] Rubles.
- 5.2.9. Each class B preferred shares entitles its owner to ____ [in digits] (_____) [in words] votes on all issues on which class B preferred shares provide the right to vote.
- 5.3. Shareholders shall have such other rights and obligations as established by the Charter and the Law.¹⁷
- 5.4. The Company has the right to declare and pay dividends on common shares based on the results of each quarter and/or the results of the fiscal year. The Company shall pay declared dividends within _____ [in digits] (_____) [in words] days after the decision to declare dividends has been approved.¹⁸
- 5.5. Dividends shall be paid in money.¹⁹
- 5.6. The failure to pay declared dividends or the incomplete payment of dividends may be a ground for the Supervisory Board to reduce the remuneration of the General Director.²⁰

¹⁶ LJSC, Article 32, Clause 2 provides that if the date for accumulating and paying dividends against preferred shares of a specified class is not specified by the charter, preferred shares of that class are not deemed to be cumulative.

¹⁷ Shareholders have obligations with regard to the rules on related party transactions (LJSC, Articles 81–84), the disclosure of their affiliation with the company (LJSC, Article 93), and confidentiality (Civil Code, Article 67, 139).

¹⁸ LJSC, Article 42, Clause 4. The charter may specify the period during which declared dividends shall be paid. If that period is not specified, the Company Law requires that declared dividends be paid no later than 60 days from the date of approval. FCSM Code, Chapter 9, Section 2.1.3 recommends that in no case should the period for payment of declared dividends exceed 60 days.

¹⁹ LJSC, Article 42, Clause 1 provides that the charter may specify circumstances when dividends are paid in kind. FCSM Code, Chapter 9, Section 2.1.4. recommends that dividends be paid in cash.

²⁰ FCSM Code, Chapter 9, Section 3.

Article 6. The Governing Bodies of the Company

- 6.1. The Company shall have the following governing bodies:
 - 6.1.1. The GMS;
 - 6.1.2. The Supervisory Board;
 - 6.1.3. The General Director; and
 - 6.1.4. The Executive Board.

Article 7. The General Meeting of Shareholders

- 7.1. The GMS is the highest governing body of the Company.
- 7.2. The Annual General Meeting of Shareholders (hereinafter the AGM) must be held annually on the following date: _____ [*insert a date between March 1 and June 30*].
- 7.3. All GMS other than the AGM shall be Extraordinary General Meetings of Shareholders (hereinafter the EGM).
- 7.4. The GMS shall be valid if a quorum is present.²¹
- 7.5. The detailed procedures for preparing and conducting the GMS are specified by the Law, the Charter, and by-laws of the Company.
- 7.6. The AGM shall be held in the Russian Federation in the place where the Company is located or at another location if so specified in the by-laws of the Company or by the Supervisory Board.
- 7.7. The following issues fall within the authority of the GMS and shall be decided upon by a simple majority vote of shareholders participating in the GMS:
 - 7.7.1. An increase in the Charter Capital by increasing the nominal value of placed shares;
 - 7.7.2. An increase in the Charter Capital by issuing additional common and preferred shares through open subscription;

²¹ LJSC, Article 58, Clause 1 defines a quorum for the original and any reconvened GMS. In companies with more than 500 thousand shareholders, the charter may specify a lower quorum for the reconvened GMS. FCSM Code, Chapter 2, Section 2.3 recommends that the quorum for any reconvened GMS in large companies be not less than 20% of voting shares.

- 7.7.3. A reduction of the Charter Capital by decreasing the nominal value of issued shares;
- 7.7.4. A reduction of the Charter Capital by reducing the number of issued shares by retiring purchased or redeemed shares;
- 7.7.5. Splitting and consolidating shares;
- 7.7.6. The election and dismissal of Supervisory Board members;²²
- 7.7.7. Setting the number of Supervisory Board members;²³
- 7.7.8. The approval of the remuneration for Supervisory Board members;
- 7.7.9. The delegation of the authority of the General Director to an External Manager;
- 7.7.10. The election and dismissal of Revision Commission members;
- 7.7.11. The approval of the terms of compensation and remuneration for Revision Commission members;
- 7.7.12. The approval of the annual reports, annual financial statements, including balance sheet, profit and loss statements, statement of cash-flows, and notes to the financial statements, as well as the distribution of profits and losses based on the results of the fiscal year;
- 7.7.13. The declaration and payment of dividends based on the results of each quarter and/or the results of the fiscal year;
- 7.7.14. The election of the External Auditor;
- 7.7.15. Establishing procedures for conducting the GMS;²⁴
- 7.7.16. The election and dismissal of Counting Commission members;²⁵

²² LJSC, Article 66, Clause 4, Paragraph 13, states that directors who are elected with cumulative voting do not necessarily require a simple majority of votes to be elected. The candidates who receive the most votes are elected, which can be fewer than a simple majority of votes.

²³ LJSC, Article 66, Clause 3, Paragraph 1. The number of directors can be determined either by the charter (see Article 8.2 of the Charter) or decision of the GMS.

²⁴ It is advisable to specify the procedures for conducting the GMS in the company's by-laws. LJSC, Article 49, Clause 5 provides that either the charter or by-laws of the company may establish the procedures for decision-making on the issue.

²⁵ LJSC, Article 56, Clause 1, Paragraph 2. If the company has more than 500 shareholders with voting rights, the functions of the Counting Commission shall be performed by the External Registrar of the company. In companies with fewer shareholders with voting rights, the External Registrar could be assigned the functions of the Counting Commission.

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- 7.7.17. Designating the number of Counting Commission members;
 - 7.7.18. The approval of internal documents that regulate the activities of the Company's governing bodies (the Supervisory Board, the General Director, and the Executive Board);
 - 7.7.19. The approval of the by-law for the Revision Commission;
 - 7.7.20. The approval of the reimbursement of expenses for preparing and conducting an EGM if convened by parties other than the Supervisory Board;
 - 7.7.21. The approval of extraordinary transactions that are subject to the approval of the Supervisory Board in cases where the Supervisory Board failed to unanimously approve the transaction and transferred the authority for its approval to the GMS;
 - 7.7.22. The approval of related party transactions in cases specified by the Law on Joint Stock Companies;
 - 7.7.23. A waiver of the obligation of the controlling shareholders to make a buy-out offer during control transactions;²⁶
 - 7.7.24. Determine the list of additional documents that must be kept by the Company;
 - 7.7.25. Authorization for the Company to participate in holding companies, financial and industrial groups, and any associations or other unions of commercial entities; and
 - 7.7.26. Requesting an extraordinary inspection of the financial and economic activities of the Company by the Revision Commission.
- 7.8. A decision of the GMS on the following issues shall be adopted if a three-fourths majority vote of shareholders participating in the GMS is reached:
- 7.8.1. Amending the Charter or approving a new version of the Charter;
 - 7.8.2. The reorganization of the Company;

²⁶ LJSC, Article 80 provides for a waiver of the right to acquire shares in a company with more than 1,000 shareholders in case of acquisition of 30% or more of the company's common shares.

- 7.8.3. The liquidation of the Company and the appointment of the Liquidation Commission;
 - 7.8.4. The approval of the interim and final liquidation balance sheets;
 - 7.8.5. The determination of the number, nominal value, types, and classes of authorized shares that can be issued and placed by the Company, as well as which rights attach to these shares;
 - 7.8.6. The approval of extraordinary transactions involving more than 50 percent of the book value of assets of the Company;
 - 7.8.7. A buyback of shares by the Company in cases specified by the Law on Joint Stock Companies;²⁷
 - 7.8.8. The issue of additional shares through closed subscription;²⁸
 - 7.8.9. The issue of convertible securities through closed subscription;²⁹
 - 7.8.10. The issue of additional shares through open subscription that are 25 or more percent of already placed common shares;³⁰ and
 - 7.8.11. The issue of convertible securities if such securities can be converted into 25 or more percent of already issued common shares.³¹
- 7.9. A decision of the GMS on amending the Charter that limits the rights of preferred shareholders shall be adopted if the decision is approved by:³²
- 7.9.1. A three-fourths majority vote of preferred shareholders of the class whose rights will be affected as a result of Charter amendments; and

²⁷ LJSC, Article 72, Clause 1 provides that the charter may delegate this authority to the Supervisory Board. To avoid potential abuses, the company may not wish to delegate this authority to the Supervisory Board.

²⁸ LJSC, Article 39, Clause 3. The charter may require a higher number of votes to adopt the specified decision.

²⁹ LJSC, Article 39, Clause 3. The charter may require a higher number of votes to adopt the specified decision.

³⁰ LJSC, Article 39, Clause 4, Paragraph 1. The charter may require a higher number of votes to adopt the specified decision.

³¹ LJSC, Article 39, Clause 4, Paragraph 2. The charter may require a higher number of votes to adopt the specified decision.

³² LJSC, Article 32, Clause 4, Paragraph 2. The charter may require a higher number of votes to adopt the specified decision.

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- 7.9.2. A separate three-fourths majority vote of all other shareholders with voting rights participating in the GMS.
- 7.10. A decision on those issues set forth in sections 7.7.9, 7.7.12–7.7.13, 7.8.2–7.8.4 can be taken only if submitted by the Supervisory Board.
- 7.11. [A decision on those issues set forth in sections 7.7.1–7.7.2, 7.7.11, 7.7.18–7.7.19, 7.7.21–7.7.22, 7.7.25, 7.8.6–7.8.8, 7.8.10 can be taken only if submitted by the Supervisory Board.³³]
- 7.12. Issues falling within the authority of the GMS may not be delegated to the executive bodies of the Company.
- 7.13. The notification of the GMS and the voting ballot together with a sample power of attorney³⁴ shall be sent _____ days prior to the GMS³⁵ to all shareholders included in the list of shareholders entitled to participate in the GMS by registered mail [*option*: and/or published in _____ [*name of the printed media*], _____ [*name of the printed media*], and _____ [*name of the printed media*].³⁶ The notification for the GMS may be sent by other means of communication.
- 7.14. The following information and documents shall be made available for shareholders _____ days prior to the GMS:³⁷

³³ Unless the charter provides otherwise.

³⁴ FCSM Code, Chapter 2, Section 1.7 recommends this in order to provide shareholders with the possibility to vote through an authorized representative.

³⁵ LJSC, Article 52, Clause 1 provides that shareholders be notified of the GMS at least 20 days prior to the GMS, at least 30 days prior to the GMS if the agenda covers the reorganization of the company, and 50 days in the event of an EGM if the agenda includes the election of directors by cumulative voting. FCSM Code, Chapter 2, Section 1.1.1 recommends a notification period of at least 30 days.

³⁶ LJSC, Article 52, Clause 1 provides that notification by registered mail is the default rule. The charter, however, may provide for other ways of notification in lieu of, or in addition to, registered mail such as publication in the print media, which requires the charter to specify the name of the print media, personal delivery, and possibly other means of notification. FCSM Code, Chapter 2, Section 1.1.4 also recommends that the company select several print media.

³⁷ LJSC, Article 52, Clause 3 provides a list of information (materials) that shall be submitted to the shareholders as part of the preparation for the GMS. FCSM Code, Chapter 2, Section 1.3.1 recommends additional materials and documents.

- 7.14.1. The annual financial statements, including the balance sheet, profit and loss statement, statement of cash flows, and notes to the financial statements;
 - 7.14.2. The minutes of the Revision Commission and report of the Revision Commission that verifies the data in the annual report;
 - 7.14.3. The report of the External Auditor;
 - 7.14.4. Information on proposed candidates for the position of the General Director, and members of the Executive Board, the Supervisory Board, the Revision Commission, and the Counting Commission;
 - 7.14.5. The draft of amendments to the Charter, if any;
 - 7.14.6. The draft of the new version of the Charter, if any;
 - 7.14.7. Drafts of any internal documents of the Company if same have been submitted for approval;
 - 7.14.8. Drafts of decisions for the AGM;
 - 7.14.9. The annual report;
 - 7.14.10. The recommendations of the Supervisory Board on the distribution of profits, including the amount of dividends and the procedure for their payment, and on the distribution of losses of the Company based on the results of the previous fiscal year;
 - 7.14.11. The report of the Supervisory Board to shareholders;³⁸
 - 7.14.12. Information regarding the position of the Supervisory Board and any dissenting opinions of directors on each agenda item;³⁹ and
 - 7.14.13. Any other information required by the Law and internal documents of the Company.
- 7.15. If the agenda of the GMS includes the election of the Supervisory Board, the General Director, the Revision Commission, the Counting Commission and the approval of the External Auditor, information as to the existence of the written consent of the candidates shall also be provided to shareholders.

³⁸ FCSM Code, Chapter 2, Section 1.3.1.

³⁹ FCSM Code, Chapter 2, Section 1.3.3.

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- 7.16. If the agenda of the GMS includes items that can trigger redemption rights, the following information and documents shall be made available for shareholders during the preparation for the GMS:
- 7.16.1. The report of the Independent Appraiser on the market value of shares of the Company, the redemption of which can be requested;
 - 7.16.2. Information regarding the value of the net assets of the Company based on the data contained in the financial statements for the last reporting period; and
 - 7.16.3. The minutes (or an excerpt from the minutes) of the Supervisory Board meeting that determined the redemption price for shares and indicated that redemption price.
- 7.17. If the agenda of the GMS includes the reorganization of the Company, the following information and documents shall be made available for shareholders during the preparation for the GMS:
- 7.17.1. The basis or grounds for the terms and procedures of the reorganization that is contained in the decision on the consolidation, merger, split-up, divestiture, or transformation, or in the contract on merger or consolidation that is approved by the relevant Supervisory Board;
 - 7.17.2. The annual reports and the financial statements of all companies involved in the reorganization for the last three fiscal years, or for all completed fiscal years if the Company was established less than three years ago; and
 - 7.17.3. The quarterly accounting documents for the quarter that precedes the date of the GMS.
- 7.18. Information and materials should be submitted to the persons entitled to participate in the GMS for the purpose of familiarization at the premises of the Company and other locations specified in the notification on the GMS.⁴⁰
- 7.19. If the agenda of the GMS includes the election of members to the Supervisory Board, the Revision Commission, or the proposed External Auditor of the Company, the candidates shall be present when the GMS discusses this issue.⁴¹

⁴⁰ FCSM Code, Chapter 2, Section 1.1.3 recommends providing additional access to such information through electronic means of communications, including the internet.

⁴¹ FCSM Code, Chapter 2, Section 2.1.4.

Article 8. The Supervisory Board

- 8.1. The Supervisory Board shall supervise the executive bodies and provide overall strategic oversight of the Company's activities, except for those issues within the authority of the GMS.
- 8.2. The Supervisory Board shall consist of _____ members who shall be knowledgeable and experienced in the areas of the Company's business activities.⁴²
- 8.3. The following issues fall within the authority of the Supervisory Board:
 - 8.3.1. Determining the priority goals and strategic direction of the Company;
 - 8.3.2. Approving the financial and business plan of the Company;⁴³
 - 8.3.3. Appointing and dismissing the General Director and, upon the recommendation of the General Director, Executive Board members;
 - 8.3.4. Suspending the powers of the External Manager, if the GMS has transferred the authority of the General Director, and appointing an interim General Director;⁴⁴
 - 8.3.5. Supervising the operations of the executive bodies of the Company;
 - 8.3.6. Requesting the minutes of Executive Board meetings;
 - 8.3.7. Authorizing the General Director or an Executive Board member to serve in a similar capacity in any governing body (Supervisory Board, General Director, Executive Board) of another legal entity;
 - 8.3.8. Authorizing other persons, other than the Chairman of the Supervisory Board, to sign contracts with the General Director, Executive Board members, or the External Manager;
 - 8.3.9. Designating the terms of contracts with the General Director, Executive Board members, and the Corporate Secretary, including the terms and conditions for remuneration;

⁴² FCSM Code, Chapter 3, Section 2.2.3 recommends that the Supervisory Board be composed of at least three independent directors, or that at least one-fourth of the total number of members should be independent directors.

⁴³ FCSM Code, Chapter 3, Section 1.1.

⁴⁴ FCSM Code, Chapter 3, Section 1.4.1.

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- 8.3.10. Initiating the steps for the reimbursement of losses caused to the Company by Supervisory Board members;
- 8.3.11. Taking steps to reimburse the Company for losses caused by the General Director and Executive Board members, including the incomplete and/or untimely payment of declared dividends, as well as the failure to provide documents and information to the Supervisory Board where required pursuant to this Charter or by-laws of the Company;
- 8.3.12. Appointing the Corporate Secretary;⁴⁵
- 8.3.13. Establishing permanent and/or *ad hoc* Supervisory Board committees;
- 8.3.14. Approving by-laws and internal documents other than those that require the approval of the GMS or the executive bodies of the Company;
- 8.3.15. Establishing and liquidating branches and/or representative offices of the Company, and making the corresponding amendments to the Charter;
- 8.3.16. Establishing and liquidating subsidiaries and/or dependent companies in the Russian Federation and outside of the Russian Federation;
- 8.3.17. Calling the GMS including both the AGM and any EGM;
- 8.3.18. Determining the form for conducting the GMS, e.g. with joint presence of shareholders or written consent;
- 8.3.19. Determining the date, place, and time of the GMS, the time for commencing and ending the registration of shareholders and their representatives, and the postal address to which completed voting ballots must be sent;
- 8.3.20. Determining the date for compiling the list of persons entitled to participate in the GMS;
- 8.3.21. Reviewing proposals of shareholders and including approved proposals in the agenda of the GMS or rejecting proposals for the agenda;
- 8.3.22. Approving the agenda of the GMS;
- 8.3.23. Submitting proposals to the agenda of the GMS for items that can only be put on the agenda by the Supervisory Board;

⁴⁵ FCSM Code, Chapter 5, Section 2.1.

- 8.3.24. Determining procedures for notifying shareholders of the GMS;
- 8.3.25. Compiling the list of information and materials to be made available for shareholders during the preparation for the GMS, and of the procedure for accessing this information;
- 8.3.26. Determining the form and the text of the voting ballot;
- 8.3.27. Determining the classes of preferred shares, the owners of which shall have voting rights on each agenda item;
- 8.3.28. Including additional items on the agenda of the GMS upon its own initiative;
- 8.3.29. Proposing candidates to the governing bodies on the agenda if shareholders nominated less than the minimum number of candidates;
- 8.3.30. Increasing the Charter Capital by issuing additional authorized shares;
- 8.3.31. Approving of the report on the results of any share buyback by the Company for the purpose of decreasing the Charter Capital;
- 8.3.32. Issuing non-convertible bonds;⁴⁶
- 8.3.33. Approving the decision to purchase bonds placed by the Company;
- 8.3.34. Determining the market value of assets, the placement price, and the redemption price of shares and other securities;
- 8.3.35. Approving the External Registrar of the Company and the terms and conditions of the contract with the Registrar;
- 8.3.36. Using the reserve fund of the Company and other funds, if applicable;
- 8.3.37. Approving recommendations for the GMS regarding the amount of dividends and the approval of the procedure for the payment of such dividends;
- 8.3.38. Approving any extraordinary transactions that involve not more than 50 percent of the book value of the Company's assets;⁴⁷

⁴⁶ Good practice suggests that the Supervisory Board have the authority only to issue non-convertible bonds.

⁴⁷ LJC, Article 78 provides that the charter may stipulate the same approval procedures for other transactions as extraordinary transactions (defined within 25–50% of the book value of the company's assets).

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- 8.3.39. Approving any transactions that involve ten percent of the book value of assets of the Company;⁴⁸
 - 8.3.40. Approving any related party transactions that fall within the authority of the Supervisory Board;
 - 8.3.41. Requesting the Revision Commission to conduct an extraordinary inspection;
 - 8.3.42. Approving recommendations for the GMS regarding the remuneration of Revision Commission members;
 - 8.3.43. Determining the fees of the External Auditor;
 - 8.3.44. Preliminarily approving the annual report of the Company;
 - 8.3.45. Preparing and approving the annual report of the Supervisory Board regarding the business priorities of the Company for inclusion in the annual report of the Company;
 - 8.3.46. Preparing and submitting the report on compliance with the FCSM Code;
 - 8.3.47. Requesting oral and written reports as well as any other documents and information from the General Director, Executive Board members and other officials of the Company that are necessary for fulfilling its functions as a Supervisory Board;
 - 8.3.48. Making decisions regarding operations that go beyond the financial and business plan of the Company (non-standard operations); and
 - 8.3.49. Determining the list of additional documents that shall be kept by the Company.
- 8.4. Issues falling under the authority of the Supervisory Board may not be delegated to the executive bodies of the Company.
 - 8.5. The procedures for preparing and conducting Supervisory Board meetings shall be regulated by this Charter and by-laws of the Company.
 - 8.6. Supervisory Board meetings are convened by the Chairman of the Supervisory Board upon:
 - 8.6.1. The initiative of the Chairman of the Supervisory Board; or
 - 8.6.2. The request of a Supervisory Board member; or
 - 8.6.3. The request of the Revision Commission; or
 - 8.6.4. The request of the External Auditor; or

⁴⁸ FCSM Code, Chapter 4, Section 1.1.3.

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- 8.6.5. The request of the General Director; or
- 8.6.6. The request of the Executive Board; or
- 8.6.7. The request of those shareholders holding two percent or more of voting shares.⁴⁹
- 8.7. A quorum for the Supervisory Board meeting shall be _____ of the elected Supervisory Board members.⁵⁰
- 8.8. The Supervisory Board shall make its decisions by a ___ majority vote of the Supervisory Board members who participate in the Supervisory Board meeting.⁵¹
- 8.9. A Supervisory Board member is prohibited from transferring his vote to any other person, including other members of the Supervisory Board.
- 8.10. The Supervisory Board shall approve the following decisions by unanimous vote of all the acting members of the Supervisory Board:
 - 8.10.1. Increases in the Charter Capital by issuing additional shares; and
 - 8.10.2. Approval of an extraordinary transaction.
- 8.11. The following decisions of the Supervisory Board shall be approved by a three-fourths majority of Supervisory Board members participating in the Supervisory Board meeting:
 - 8.11.1. The suspension of the powers the External Manager for any reason;
 - 8.11.2. The approval of an interim General Director; and
 - 8.11.3. Conducting an EGM to approve the new General Director, or the External Manager.

⁴⁹ FCSM Code, Chapter 3, Section 4.13 recommends that the charter specify other parties who have the right to request a meeting of the Supervisory Board. As an option, the FCSM Code proposes to give this right to a shareholder (or a group of shareholders) possessing at least 2% of voting shares.

⁵⁰ LJSC, Article 68, Clause 2 provides that the quorum for a Supervisory Board meeting should not be less than a majority of the Supervisory Board members. However, the FCSM Code, Chapter 3, Section 4.14 recommends a higher number for a quorum which should be set at a level ensuring that without the presence of non-executive and independent Supervisory Board members, there can be no valid quorum.

⁵¹ LJSC, Article 68, Clause 3 provides for a simple majority vote of Supervisory Board members that are present at the meeting for the Board to adopt a decision, unless the charter or the by-laws require a higher number of votes. The charter may also grant a deciding vote to the Chairman of the Supervisory Board in the event of a tie vote.

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- 8.12. The Supervisory Board shall approve related party transactions by a simple majority vote of those directors who are not interested parties to the transaction.⁵²
- 8.13. The Supervisory Board shall elect the members of Supervisory Board committees by a simple majority vote of all Supervisory Board members.
- 8.14. The Supervisory Board may make its decisions by an absentee vote as specified in the by-laws of the Company.⁵³
- 8.15. The written opinions of absentee Supervisory Board members shall be considered when the Supervisory Board makes decisions.⁵⁴
- 8.16. For the election of Supervisory Board members, shareholders shall receive information on:⁵⁵
- 8.16.1. The identity of the shareholder or the group of shareholders who nominated the candidate;
 - 8.16.2. The age and educational background of the candidate;
 - 8.16.3. The positions held by the candidate during the last five years;
 - 8.16.4. The positions held by the candidate at the moment of his nomination;
 - 8.16.5. The nature of the relationship the candidate has with the Company;
 - 8.16.6. Any positions held by the candidate on the Supervisory Board, or any other official positions that are held by the candidate in other legal entities;
 - 8.16.7. Information on any nominations of the candidate for a position on the Supervisory Board, or any other official positions with other legal entities;
 - 8.16.8. The relationship of the candidate with any affiliated persons;

⁵² LJSC, Article 83, Clause 2 and 3. This applies to companies with 1,000 or fewer shareholders with voting rights. In companies with more than 1,000 shareholders with voting rights, it is only necessary to have a simple majority of independent directors who are not interested parties in the related party transaction.

⁵³ LJSC, Article 68, Clause 1 states that the charter may provide for the approval of decisions through the Supervisory Board by absentee vote when making critical decisions. This is recommended by the FCSM Code, Chapter 3, Section 4.3.2.

⁵⁴ FCSM Code, Chapter 3, Section 4.3.1.

⁵⁵ FCSM Code, Chapter 3, Section 2.3.1.

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- 8.16.9. The nature of the candidate's relationship with major business partners of the Company;
 - 8.16.10. Information related to the financial status of the candidate and other circumstances that may affect the duties of the candidate as a member of the Supervisory Board; and
 - 8.16.11. Any refusal by the candidate to disclose information that has been requested by the Company.
- 8.17. The candidates for the position of Supervisory Board members shall possess:⁵⁶
- 8.17.1. _____;
 - 8.17.2. _____; and
 - 8.17.3. _____.
- 8.18. The Supervisory Board members shall be elected by cumulative voting.
- 8.19. The Supervisory Board members shall:
- 8.19.1. Act in the best interests of the Company and its shareholders;
 - 8.19.2. Carry out their duties with an appropriate level of care and loyalty;
 - 8.19.3. Actively participate in Supervisory Board committees to which they are elected;
 - 8.19.4. Not disclose confidential information, or any other information they became aware of during the course of performing their duties, to persons that do not have access to such information, nor use such information for their own personal interests or for the interests of other persons;
 - 8.19.5. Notify the Supervisory Board in writing of any conflicts of interests and disclose information as to all concluded transactions in which the member was interested; and
 - 8.19.6. Provide the shareholders with complete and accurate information about the Company's activities, financial status, and corporate governance practices in a timely manner.

⁵⁶ FCSM Code, Chapter 3, Section 1.4.2. Insert the relevant qualifications of a candidate for the position of a Supervisory Board member, such as educational background, experience, relevant contacts, and personal characteristics.

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- 8.20. For the purposes of the Charter, Supervisory Board members are deemed independent if their only non-trivial professional, familial, or financial connection to the Company, Supervisory Board, General Director, or any other executive officer is their directorship, and:⁵⁷
- 8.20.1. Over the last three years has not been, and, at the time of his election to the Supervisory Board, is not an officer (manager) or employee of the Company, or an officer or employee of the External Manager of the Company;
 - 8.20.2. Over the last three years has not been, and, at the time of his election to the Supervisory Board, is not an officer of another company in which any of the officers of the Company is a member of the Nominations and Remuneration Committee of the Supervisory Board;
 - 8.20.3. Over the last three years has not been, and, at the time of his election to the Supervisory Board, is not an affiliated person of an officer (manager) of the Company (or officer of the Company's External Manager);
 - 8.20.4. Over the last three years has not been, and, at the time of his election to the Supervisory Board, is not an affiliated person of the Company or an affiliated person of such affiliated persons;
 - 8.20.5. Is not bound by contractual relations with the Company, whereby such member may acquire property or receive money with a value in excess of ten percent of such person's aggregate annual income, not including any remuneration received for participating in activities of the Supervisory Board;
 - 8.20.6. Over the last three years has not been, and, at the time of his election to the Supervisory Board, is not a major business partner of the Company. A major business partner is defined as a business partner whose annual transactions with the Company are valued in excess of ten percent of the book value of assets of the Company; and
 - 8.20.7. Over the last three years has not been, and, at the time of his election to the Supervisory Board, is not a representative of the Government of the Russian Federation.

⁵⁷ FCSM Code, Chapter 3, Section 2.2.2. For an alternative definition of independent directors see Annex 18.

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- 8.21. Independent directors should inform the Supervisory Board of any changes in their independence.
- 8.22. The Supervisory Board may establish committees for the provisional consideration of major issues and the development of proposals in accordance with the requirements specified in the by-laws of the Company.⁵⁸

Article 9. The Executive Bodies

- 9.1. The execution of the day-to-day operations of the Company shall be conducted by the following executive bodies:
 - 9.1.1. The General Director; and
 - 9.1.2. The Executive Board.
- 9.2. Neither the General Director nor Executive Board members shall serve on a governing body of any other Company without the prior approval of the Supervisory Board. The General Director and Executive Board members may not be a member of the governing bodies or an employee of a competing company.
- 9.3. In addition to the authority of the General Director and the Executive Board as defined in the Charter, by-laws, and any other applicable legal provisions, the rights and obligations of the General Director and of the Executive Board may be specified in the employment contract entered into between the Company and the General Director or Executive Board members. Such employment contract shall be signed on behalf of the Company by the Chairman of the Supervisory Board, except that such contracts for Executive Board members shall be signed by the General Director after the terms have been approved by the Supervisory Board.
- 9.4. The General Director presides over Executive Board meetings.
- 9.5. The Executive Board shall consist of _____ persons.
- 9.6. The authority of the executive bodies includes all issues related to the day-to-day management of the Company's activities, except for those is-

⁵⁸ The number, names, authority, and working procedures of Supervisory Board committees will be specified in the by-laws of the Company. See also: Annexes 7–10.

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sues that fall within the authority of the GMS and the Supervisory Board.

- 9.7. The General Director and Executive Board members are elected for _____ [years].⁵⁹
- 9.8. The General Director and Executive Board members may begin to perform their duties from the moment the minutes of the Supervisory Board meeting are signed by the Supervisory Board.
- 9.9. The General Director has the authority to:
 - 9.9.1. Act without a power of attorney on behalf of the Company;
 - 9.9.2. Represent the Company's interests in relations with third parties;
 - 9.9.3. Conclude transactions on behalf of the Company within the limitations set forth by the present Charter and the Law;
 - 9.9.4. Hire staff, sign labor contracts, and manage the performance of all employees of the Company;
 - 9.9.5. _____; and
 - 9.9.6. _____.
- 9.10. The Executive Board has the authority to adopt the following decisions:
 - 9.10.1. Provisional approval of transactions or a group of related transactions with property, the value of which exceeds five percent of the book value of the Company's assets according to the balance sheet prepared for the latest reporting period;
 - 9.10.2. Decisions regarding issues to be included on the agenda of the GMS of subsidiary companies in which the Company is the only shareholder;
 - 9.10.3. Development of the Company's financial and business plans;
 - 9.10.4. _____;
 - 9.10.5. _____; and
 - 9.10.6. Other issues specified by the Law, the Charter, and the by-laws of the Company.

⁵⁹ To ensure continuity in the Company's direction of development, the IFC's RCGP recommends electing the General Director and Executive Board members for a term of 3–5 years, following an initial one-year term.

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- 9.11. The General Director calls the Executive Board meetings either upon his own initiative or upon the request of the Supervisory Board or an Executive Board member.
- 9.12. The procedures for Executive Board meetings shall be regulated by the Law, the Charter, and the by-laws of the Company.
- 9.13. The following decisions are approved by the Executive Board by a three-fourths majority vote of Executive Board members participating in the meeting:⁶⁰
- 9.13.1. _____;
 - 9.13.2. _____; and
 - 9.13.3. _____.
- 9.14. The following decisions are approved by a unanimous vote of Executive Board members participating in the meeting:
- 9.14.1. _____;
 - 9.14.2. _____; and
 - 9.14.3. _____.
- 9.15. The candidates for the positions of General Director, Executive Board members, and the External Manager may not be officials or employees of another company that competes with the Company.
- 9.16. The General Director and Executive Board members shall:
- 9.16.1. Act honestly;
 - 9.16.2. Act in the best interests of the Company and its shareholders;
 - 9.16.3. Act with care and be loyal;
 - 9.16.4. Not disclose confidential information or any other information they became aware of during the performance of their duties to persons who do not have access to such information, nor use such information for their own personal interests or for the interests of other persons;
 - 9.16.5. Notify the Supervisory Board in writing of any conflicts of interests regarding transaction with the Company and disclose information as to all concluded transactions in which the member was an interested party; and

⁶⁰ Insert the list of decisions that require a three-fourths majority vote.

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- 9.16.6. Provide the Supervisory Board and shareholders with complete and accurate information about the Company's activities, financial status, and effective corporate governance practices in a timely manner.
- 9.17. An Executive Board member should:
 - 9.17.1. Regularly attend and actively participate in Executive Board meetings;
 - 9.17.2. Participate actively in the discussion of issues and vote on matters included on the agenda of Executive Board meetings;
 - 9.17.3. Place matters on the agenda of Executive Board meetings or demand that the General Director conduct an Executive Board meeting when this is necessary;
 - 9.17.4. Notify the General Director if the member is unable to attend an Executive Board meeting;
 - 9.17.5. Provide adequate information to the Supervisory Board so that its members are properly informed on corporate matters.⁶¹
- 9.18. The General Director and Executive Board members shall refrain from:
 - 9.18.1. Participating in a competing Company;⁶²
 - 9.18.2. Participating in transactions involving a potential conflict of interest with the Company, such as related party transactions;
 - 9.18.3. Using corporate property and facilities for personal reasons unless authorized by the Supervisory Board; and
 - 9.18.4. Using information or business opportunities for personal benefit.

Article 10. The Corporate Secretary

- 10.1. The Company shall appoint a Corporate Secretary.⁶³
- 10.2. The functions, rights, and duties of the Corporate Secretary shall be defined by the Charter and by-laws of the Company.

⁶¹ FCSM Code, Chapter 3, Section 3.1.2.

⁶² FCSM Code, Chapter 4, Section 2.1.3.

⁶³ FCSM Code, Chapter 5, Introduction.

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- 10.3. The Corporate Secretary shall ensure:⁶⁴
- 10.3.1. Compliance with the Law, the Charter and by-laws of the Company regarding the preparation and conducting of the GMS and Supervisory Board meetings;
 - 10.3.2. The disclosure of relevant information and storage of Company documents;
 - 10.3.3. The examination of shareholder requests;
 - 10.3.4. The resolution of disputes related to the violation of shareholder rights; and
 - 10.3.5. _____.
- 10.4. The candidates for Corporate Secretary shall have:⁶⁵
- 10.4.1. _____;
 - 10.4.2. _____; and
 - 10.4.3. _____.
- 10.5. The Corporate Secretary is entitled to receive any information from the Company's governing bodies and employees as required to perform his functions. The Supervisory Board, the General Director, the Executive Board, and other officials of the Company shall provide the Corporate Secretary with any information so requested.⁶⁶
- 10.6. The Corporate Secretary is appointed by the Supervisory Board and shall perform his duties pursuant to the provisions of the Charter, the by-laws of the Company, and provisions of the contract entered into between the Secretary and the Company.⁶⁷

Article 11. The Revision Commission and External Audits

- 11.1. The Revision Commission shall be elected at the AGM and remain in existence until the next AGM.
- 11.2. The Revision Commission shall consist of _____ members.

⁶⁴ FCSM Code, Chapter 5, Section 1.

⁶⁵ FCSM Code, Chapter 5, Section 2.2.1. Insert qualifications required for the candidate for the position of a corporate secretary, such as education background, experience, and personal characteristics.

⁶⁶ FCSM Code, Chapter 5, Section 1.6.1.

⁶⁷ FCSM Code, Chapter 5, Section 2.1.

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- 11.3. The Revision Commission shall perform its duties in conformity with the Law, the Charter, and the by-laws of the Company.
- 11.4. The Revision Commission shall:
 - 11.4.1. Inspect the Company's financial and business activities by performing regular and extraordinary inspections, and submit its reports to the GMS;
 - 11.4.2. Inspect specific aspects of the Company's financial and business activities upon the request of a shareholder or a group of shareholders owning at least ten percent of voting shares, or at the request of the Supervisory Board;
 - 11.4.3. Verify compliance of the activities of the Supervisory Board with the Law;
 - 11.4.4. Verify facts regarding the use of insider information;
 - 11.4.5. Verify the timeliness of payments to contractors, payments to the budget, calculations and payments of dividends, and the performance of other obligations by the Company;
 - 11.4.6. Examine the use of the Company's reserve fund and other funds;
 - 11.4.7. Verify the timeliness of payments for issued shares of the Company;
 - 11.4.8. Review the Company's financial status, its solvency, and creditworthiness;
 - 11.4.9. Confirm the accuracy of data contained in the Company's annual report and other annual financial statements;
 - 11.4.10. Oversee the valuation of the Company's net assets;
 - 11.4.11. Inform the GMS and the Supervisory Board of any problems or deficiencies revealed;
 - 11.4.12. _____;
 - 11.4.13. _____; and
 - 11.4.14. Perform any other duties as specified by the Law, the Charter, and the by-laws of the Company.
- 11.5. The Company shall have an External Auditor who shall be elected by the GMS.
- 11.6. The External Auditor shall act pursuant to the Law and the provisions of the contract entered into between the Company and the External Auditor.

Article 12. The Annual Report of the Company

- 12.1. The annual report shall include the following information:⁶⁸
- 12.1.1. The Company's position in its industry;
 - 12.1.2. Priority directions of the Company's activities;
 - 12.1.3. The report of the Supervisory Board on the Company's results in its principal areas of activity;
 - 12.1.4. Prospects for the Company's development;
 - 12.1.5. The report on the payment of declared dividends;
 - 12.1.6. The analysis of the principal risks associated with the Company's activities;
 - 12.1.7. A list of extraordinary transactions concluded by the Company during the reporting year, including the significant terms of those transactions and the governing body of the Company that approved these transactions;
 - 12.1.8. A list of related party transactions concluded by the Company during the reporting year including a list of related parties, the significant terms of such transactions and the governing the body of the Company that approved these transactions;
 - 12.1.9. The composition of the Supervisory Board, including information regarding changes in the composition of the Board that took place during the reporting year, as well as information on members of the Supervisory Board, including a brief summary of their personal data and information on their share ownership in the Company during the reporting year;
 - 12.1.10. Information on the General Director and Executive Board members including a brief summary of their personal data and information on their share ownership in the Company during the reporting year;
 - 12.1.11. Criteria for the determination of and the amount of remuneration and expenses for the General Director, each member of the Execu-

⁶⁸ This article lists only legal requirements for the annual report of the Company. It does not include annual financial statements. Other information can be included in the annual report based on best practices. For more details, see the Model Annual Report in Annex 29 and FCSM Regulation No. 17/ps on Additional Requirements to the Procedure of Preparing, Calling, and Conducting the General Meeting of Shareholders, 31 May 2002, Section 3.6.

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- tive Board, and each member of the Supervisory Board, and the aggregate amount of remuneration paid to all these persons and governing bodies during the reporting year;
- 12.1.12. Information regarding the Company's compliance with the recommendations of the FCSM Code;
 - 12.1.13. The Company's corporate governance policies and practices;
 - 12.1.14. _____;
 - 12.1.15. _____; and
 - 12.1.16. Any other information required to be included in the by-laws of the Company.
- 12.2. The annual report shall be signed by the General Director, Chief Accountant, and Supervisory Board members.⁶⁹

Article 13. Miscellaneous Provisions

- 13.1. The General Director shall ensure that the originals or, in lieu thereof, notarized copies of the following corporate records and documents be maintained by the Company as provided by the Law:
 - 13.1.1. The Charter and any amendments and additions thereto, which have been registered in the manner required by the Law, the decision on the establishment of the Company, and the certificate of state registration of the Company;
 - 13.1.2. Any documents confirming the Company's rights to property reflected on its balance sheet;
 - 13.1.3. Internal documents;
 - 13.1.4. Regulations of the Company's branch(es) or representative office(s);
 - 13.1.5. Corporate documents of subsidiaries and dependent companies, if any;
 - 13.1.6. Annual reports and financial statements;
 - 13.1.7. Share prospectuses;
 - 13.1.8. Accounting documents;
 - 13.1.9. Financial reporting documents presented to the appropriate governing bodies;

⁶⁹ FCSM Code, Chapter 7, Section 3.3.8.

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- 13.1.10. Minutes of the meeting of GMS, the Supervisory Board, the Revision Commission, and the Executive Board, as well as all documents approved by the General Director;
 - 13.1.11. A list of related parties of the Company indicating the number of shares of each type and class belonging to each such person;
 - 13.1.12. Reports of the Revision Commission, External Auditor, and state and municipal financial oversight bodies;
 - 13.1.13. Documents on the Company's employees; and
 - 13.1.14. Other documents as required by the Law.
- 13.2. The Charter shall become effective immediately upon registration with the relevant state agency.