RUSSIAN FEDERATION

FEDERAL LAW

ON JOINT-STOCK COMPANIES

Adopted by
the State Duma
on 24 November 1995

List of amending documents
(as amended by Federal Laws No. 65-FZ, dated 13 June 1996;
No. 101-FZ, dated 24 May 1999; No. 120-FZ, dated 7 August 2001; No. 31-FZ, dated 21 March 2002;
No. 134-FZ, dated 31 October 2002; No. 29-FZ, dated 27 February 2003; No. 5-FZ, dated 24 February 2004;
No. 194-FZ, dated 27 December 2005; No. 208-FZ, dated 31 December 2005; No. 7-FZ, dated 5 January 2006;
No. 138-FZ, dated 27 July 2006; No. 146-FZ, dated 27 July 2006; No. 155-FZ 27 July 2006;
No. 318-FZ, dated 1 December 2007; No. 58-FZ, dated 29 April 2008; No. 315-FZ, dated 30 December 2008;
No. 89-FZ, dated 7 May 2009; No. 115-FZ, dated 3 June 2009; No. 205-FZ, dated 19 July 2009;
No. 352-FZ, dated 27 December 2009; No. 264-FZ, dated 4 October 2010; No. 292-FZ, dated 3 November 2010;
No. 401-FZ, dated 28 December 2010; No. 409-FZ, dated 28 December 2010;
No. 228-FZ, dated 18 July 2011 (as amended on 30 November 2011); No. 327-FZ, dated 21 November 2011;
No. 346-FZ, dated 30 November 2011; No. 415-FZ, dated 7 December 2011; No. 77-FZ, dated 14 June 2012;
No. 145-FZ, dated 28 July 2012; No. 282-FZ, dated 29 December 2012; No. 47-FZ, dated 5 April 2013;
No. 210-FZ, dated 23 July 2013; No. 251-FZ, dated 23 July 2013; No. 308-FZ, dated 6 November 2013;
No. 218-FZ, dated 21 July 2014; No. 432-FZ, dated 22 December 2014; No. 82-FZ, dated 6 April 2015;
No. 210-FZ, dated 29 June 2015; No. 409-FZ, dated 29 December 2015; No. 172-FZ, dated 2 June 2016;
No. 338-FZ, dated 3 July 2016; No. 339-FZ, dated 3 July 2016; No. 340-FZ, dated 3 July 2016;
No. 343-FZ, dated 3 July 2016; No. 233-FZ, dated 29 July 2017;
as amended by Federal Laws
No. 173-FZ, dated 13 October 2008 (as amended on 21 July 2014); No. 175-FZ, dated 27 October 2008;
No. 306-FZ, dated 30 December 2008 (as amended on 27 July 2010);

Chapter I. GENERAL PROVISIONS

Article 1. Scope of this Federal Law

1. In accordance with the Civil Code of the Russian Federation, this Federal Law governs the establishment, reorganisation, liquidation, and legal status of joint-stock companies and rights and
obligations of their shareholders, and ensures the protection of shareholders' rights and interests. (as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1.1. Invalid since 1 July 2016. – Federal Law No. 210-FZ, dated 29 June 2015.

2. This Federal Law applies to all joint-stock companies established or being established in the Russian Federation, unless otherwise stipulated by this Federal Law and other federal laws.

3. Specifics of the establishment, reorganisation, liquidation, and legal status of joint-stock companies that are credit institutions, insurance companies, clearing companies, special-purpose financial companies, special-purpose project financing companies, professional securities market participants, joint-stock investment funds, management companies of investment funds, unit investment funds and non-governmental pension funds, non-governmental pension funds and other non-bank financial institutions, or joint-stock companies of employees (people's enterprises) as well as the rights and obligations of shareholders of such joint-stock companies shall be defined by federal laws governing their activity. 
(Clause 3 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

4. Specifics of the establishment, reorganisation, liquidation, legal status of joint-stock companies established on the basis of collective farms (kolkhoz), state-owned farms (sovkhoz), and other agricultural enterprises reorganised in pursuance of Order of the President of the Russian Federation No. 323, dated 27 December 1991, ‘On Urgent Measures for Implementing Land Reform in the RSFSR’ as well as owner-operated farms (farm enterprises) and service and maintenance enterprises for agricultural producers, namely procurement enterprises, repair and technical enterprises, agricultural chemistry enterprises, forestry enterprises, inter-farm construction enterprises, rural energy enterprises, seed breeding stations, flax-processing plants, and vegetable-processing enterprises, shall be defined by federal laws. 
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

5. Specifics of the establishment of joint-stock companies during the privatisation of public and municipal enterprises shall be determined by federal law and other legal acts of the Russian Federation on the privatisation of public and municipal enterprises. Special considerations of the legal status of joint-stock companies established in the course of the privatisation of public and municipal enterprises in which over 25 per cent of shares are held in public or municipal ownership or in respect of which a special right of participation of the Russian Federation, constituents of the Russian Federation, or municipalities in the management of such joint-stock companies is exercised (a 'golden share') shall be determined by federal law on the privatisation of public and municipal enterprises.
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

Specifics of the legal status of joint-stock companies established in the course of the privatisation of public and municipal enterprises shall apply from the moment a decision is made on privatisation until the state or the municipality has alienated 75 per cent of its shares in such a joint-stock company, but no later than the expiry of the period of privatisation as determined by the privatisation schedule of such enterprise.

6. Specifics of the exercise of shareholders' rights, if such shareholders are not persons registered in the register of company shareholders, shall be determined by the legislation of the Russian Federation on securities.
(Clause 6 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

Article 2. Main provisions about joint-stock companies
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. A joint-stock company (a 'company') shall be a commercial institution where the authorised capital is split into a certain number of shares that certify the liability rights of company participants (shareholders) with respect to the company.
Shareholders shall not be liable for the company's obligations and shall bear the risk of losses associated with the company's activity to the extent of the value of their shares.

Shareholders who have not paid up their shares in full shall bear joint and several liability for company's obligations to the extent of the unpaid part of the value of their shares.

Shareholders shall have the right to alienate their shares without the consent of other shareholders and the company, unless otherwise stipulated by this Federal Law with regard to non-public companies.
(Paragraph introduced by Federal Law No. 120-FZ, dated 7 August 2001; as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. The provisions of this Federal Law shall also apply to companies with one shareholder to the extent this Federal Law does not stipulate otherwise and to the extent it is not in conflict with the essence of the respective relations.
(Clause 2 introduced by Federal Law No. 120-FZ, dated 7 August 2001)

3. A company is a legal entity and owns separate assets accounted for on its independent balance sheet and may, on its own behalf, acquire and exercise property and personal non-property rights, bear obligations, or act as a plaintiff or a defendant in court.

Until 50 per cent of a company's shares distributed among its founders are paid up, the company shall not be entitled to perform transactions that are not associated with the company's establishment.
(Paragraph introduced by Federal Law No. 120-FZ, dated 7 August 2001)

4. A company shall have civil rights and bear obligations, as may be necessary for conducting any types of activities that are not prohibited by federal laws.

Certain activities, the list of which shall be defined by federal laws, may be engaged in by a company only on the basis of a special permit (licence). If the conditions for granting a special permit (licence) to engage in a certain activity provide for a requirement that this activity be engaged in exclusively, the company shall not engage in other activities during the effective period of the special permit (licence), except for the activities stipulated in the special permit (licence) and related activities.

5. A company shall be deemed established as a legal entity from the moment of its state registration in accordance with the procedure established by federal laws. A company shall be established for an unlimited period, unless otherwise stipulated in its charter.

6. A company shall have the right to open bank accounts in the Russian Federation and abroad in accordance with the established procedure.

7. A company may have a seal, stamps, official forms with its name, its own emblem, a trademark registered in accordance with the established procedure, and other means of individualisation. A federal law may provide for the duty of a company to use a seal.

Information about the seal shall be included in the company's charter.
(Clause 7 as amended by Federal Law No. 82-FZ, dated 6 April 2015)

8. If this Federal Law provides for judicial protection of shareholders’ rights, such protection may be exercised by a third-party arbitration court in the cases and according to the procedure established by a federal law.
(Clause 8 introduced by Federal Law No. 409-FZ, dated 29 December 2015)

**Article 3. Liability of a company**

1. A company shall bear liability for all its obligations with all its assets.

2. A company shall not be liable for the obligations of its shareholders.
3. If the insolvency (bankruptcy) of a company is caused by the actions (inaction) of its shareholders or other persons entitled to give binding instructions to the company or to guide its actions in another manner, such shareholders or other persons may be charged with subsidiary liability for the company's obligations in case of the insufficiency of the company's assets.

The insolvency (bankruptcy) of a company shall be deemed to have been caused by the actions (inaction) of its shareholders or other persons entitled to give binding instructions to the company or to guide its actions in another manner only if they used that right and/or possibility to cause the company to take an action while being aware in advance that such an action would result in the company's insolvency (bankruptcy).

4. The state and its bodies shall not be liable for the company's obligations, nor shall the company be liable for the obligations of the state and its bodies.

**Article 4. Commercial name and location of a company**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. A company shall have a full name and may have a short commercial name in Russian. A company may also have a full and/or a short commercial name in the languages of the peoples of the Russian Federation and/or in foreign languages.

The full commercial name of a company in Russian shall contain the full official name of the company and an indication of its form of incorporation (joint-stock company), and the full commercial name of a public company in Russian shall also indicate that the company is public. The short commercial name of a company in Russian shall contain the full or short name of the company and the words 'joint-stock company' or the abbreviation 'JSC' ('AO'), and the short commercial name of a public company in Russian shall contain the full or short name of the public company and the words 'public joint-stock company' or the abbreviation 'PJSC' ('PAO').

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The commercial name of a company in Russian and in the languages of the peoples of the Russian Federation may contain foreign words in Russian transcription or in the transcription of the languages of the peoples of the Russian Federation, except for the terms and abbreviations reflecting the form of incorporation of the company.

(as amended by Federal Law No. 231-FZ, dated 18 December 2006)

Other requirements for the commercial name of a company shall be established by the Civil Code of the Russian Federation.

(Paragraph introduced by Federal Law No. 231-FZ, dated 18 December 2006)

2. The location of a company shall be defined by the place of its state registration.

(as amended by Federal Law No. 31-FZ, dated 21 March 2002)


**Article 5. Company branches and representative offices**

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

A company may set up branches and open representative offices in accordance with the provisions of the Civil Code of the Russian Federation, this Federal Law, and other federal laws.

**Article 6. Subsidiaries and affiliates**

1. A company may have subsidiaries and affiliates with the rights of a legal entity in the Russian Federation which have been established in accordance with this Federal Law and other federal laws and
outside the Russian Federation in accordance with the legislation of the foreign state in which the subsidiary or affiliate is located, unless otherwise provided for by an international treaty of the Russian Federation.

2. A company shall be considered a subsidiary if another (parent) company (partnership), by force of dominant participation in its authorised capital, in accordance with an agreement concluded between them, or for other reasons, is able to influence the decisions made by such company.

3. A subsidiary shall not be liable for the debts of the parent company (partnership).

A parent company (partnership) entitled to give binding instructions to a subsidiary shall bear joint and several liability with the subsidiary under transactions performed by the latter in pursuance of the said instructions. A parent company (partnership) shall be deemed entitled to give binding instructions to the subsidiary only if this right is stipulated in the agreement with the subsidiary or in the charter of the subsidiary company.

In the event of the insolvency (bankruptcy) of a subsidiary through the fault of the parent company (partnership), the latter shall bear subsidiary liability for its debts. The insolvency (bankruptcy) of a subsidiary shall be considered to have occurred through the fault of the main company (partnership) only when the parent company (partnership) has used the said right and/or opportunity to cause the subsidiary to take an action while being aware that it would result in the insolvency (bankruptcy) of the subsidiary company.

Shareholders of the subsidiary company shall have the right to demand compensation from the parent company (partnership) for losses inflicted on the subsidiary through its fault. Losses shall be deemed inflicted through the fault of the parent company (partnership) only if the parent company (partnership) used its right and/or opportunity to cause the subsidiary to take an action while being aware that as a result the subsidiary would incur losses.

4. A company shall be deemed an affiliate if another (dominant) company holds more than 20 per cent of the voting shares in the former company.

A company that has acquired more than 20 per cent of the voting shares in another company shall promptly publish information about this in accordance with the procedure defined by the Bank of Russia and by the federal antimonopoly body.

(Article 7. Public and non-public companies)

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. A company may be public or non-public, which shall be reflected in its charter and commercial name.

2. A public company shall have the right to place its shares and issue-grade securities convertible into its shares by way of public offering. Shares of a non-public company and issue-grade securities convertible into its shares may not be placed by way of public offering or otherwise offered for acquisition to the general public.

ConsultantPlus: note.
The law granted the shareholders of CJSC the preemptive right to acquire shares in a company whose charter did not provide for such right as of 1 September 2014.

3. The charter of a non-public company may provide for the preemptive right of its shareholders to acquire shares alienated under transactions for consideration by other shareholders at the price offered to a third party or at a price established by or determined in accordance with the charter. If shares are alienated under transactions other than a purchase contract (e.g., exchange, compensation
for release from obligation, etc.), the preemptive right to acquire such shares may be provided for by the charter of a non-public company only at a price established by or determined in accordance with the charter. Unless otherwise stipulated by the company charter, the shareholders shall have the preemptive right to acquire alienated shares in proportion to the number of shares belonging to each of them.

The charter of a non-public company which provides for the preemptive right of its shareholders to acquire shares alienated under transactions for consideration may also provide for the preemptive right of the non-public company to acquire the alienated shares in the event that its shareholders have not used their preemptive right.

In the event of a dispute associated with the exercise of the preemptive right to acquire alienated shares at a price established by or determined in accordance with the charter of a non-public company, the court shall have the right not to apply the provisions of the company charter regarding such price if, at the moment such preemptive right is exercised, the said price is much lower than the market value of the company's shares for which the preemptive right is exercised.

4. A shareholder intending to alienate its shares to a third party shall give notice thereof to a non-public company whose charter provides for the preemptive right to acquire the alienated shares. The notice shall indicate the quantity of shares to be alienated, their price, and other terms and conditions of the alienation of the shares. Within no more than two days following the receipt of the notice, the company shall notify the shareholders of the contents of the notice in the manner established for notification on the holding of the general meeting of shareholders, unless a different notification procedure is established in the charter of the non-public company. Unless otherwise provided for by the company charter, the company shareholders shall be notified at the cost of the shareholder intending to alienate its shares.

The shareholder shall have the right to alienate shares to a third party, provided that other shareholders of the company and/or the company itself do not exercise their preemptive right to acquire all alienated shares within two months following the receipt of the notice by the company, unless a shorter period is established by the company charter. If shares are alienated under a purchase contract, such alienation shall be carried out at the price and on the conditions communicated to the company. The time for exercising the preemptive right, as provided for by the company charter, shall not be less than 10 days following the receipt of the notice by the company. The time for exercising the preemptive right shall be terminated if before its expiry written statements on the exercise of the preemptive right or on the waiver of the preemptive right have been received from all shareholders of the company.

If the shares of a non-public company have been alienated in breach of the preemptive right, the shareholders holding such preemptive right or the company itself, if its charter provides for the preemptive right of the company to acquire shares, within three months after the company's shareholder or the company itself learned or should have learned of such a breach, shall have the right to file a claim in court for the transfer of the acquirer's rights and duties to them and/or for the transfer of the alienated shares to them with the payment of the price of such shares under the purchase contract or the price determined by the company charter to the acquirer and, in the event that the shares were alienated under transactions other than a purchase contract, for the transfer of the alienated shares to them and the payment of the price determined by the company charter to the acquirer, if it has been proven that the acquirer knew or should have known about the provisions on the preemptive right in the company's charter.

5. The charter of a non-public company may provide for the need to obtain the shareholders' consent to the alienation of shares to third parties. This provision of the charter of a non-public company shall remain in force for a certain period of time, as provided for by the charter, which shall not exceed five years from the day of state registration of the non-public company or from the day of state registration of the respective amendments to the company's charter.

If the charter of a non-public company provides for the need to obtain the shareholders' consent
to the alienation of shares, such consent shall be deemed obtained if no statements have been received from the shareholders regarding their refusal to give their consent for the alienation of shares within 30 days, or within a shorter period of time determined by the company charter, following the receipt by the company of the notice of intention to alienate shares. The procedure for sending notifications and statements provided for by this paragraph shall be determined by the charter of the non-public company.

If shares are alienated in breach of the provisions of the charter of a non-public company mentioned in this clause, the shareholders who withheld their consent to the alienation of shares shall have the right to file a claim in court to invalidate the transaction for the alienation of the shares within three months from the day when they learned or should have learned of such a breach, if it has been proven that the acquirer knew or should have known of the provisions in the company's charter on the need to obtain the shareholders' consent to the alienation of shares.

6. The charter of a non-public company or the decision on the placement of additional shares or issue-grade securities convertible into shares adopted at the general meeting of shareholders by all shareholders of a non-public company unanimously may stipulate that the shareholders do not have the preemptive right to acquire the additional shares or issue-grade securities convertible into shares which are being placed.

7. Additional obligations of the company's shareholders, apart from those stipulated by the Civil Code of the Russian Federation for the participants of business entities, may be provided for by the charter of a non-public company only.

8. The provisions established by Clauses 3 and 5–7 of this article may be provided for by the charter of a non-public company upon its establishment or may be introduced to its charter, amended, and/or removed from its charter by decision adopted at the general meeting of shareholders by all the company's shareholders unanimously.

Article 7.1. Acquisition of public status by a non-public company

(introduced by Federal Law No. 210-FZ, dated 29 June 2015)

1. A non-public company shall acquire the status of a public company (public status) by way of introducing amendments to the company's charter stating that the company is public.

A company shall be entitled to submit information about the company's commercial name stating that such company is public for entry in the unified state register of legal entities subject to the registration of the prospectus of its shares and conclusion by the company of an agreement on the listing of its shares with a trade organiser.

A non-public company shall acquire public status from the day of state registration of the said amendments to its charter and entry in the unified state register of legal entities of information on the commercial name of such company stating that the company is public.

2. The decision to introduce amendments to the charter of a non-public company stating that such company is public shall be made at the general meeting of shareholders with a three-fourths majority vote of all shareholders owning shares of each category (type), unless the need for a greater number of votes is provided for by the charter of the non-public company. Concurrently with the said decision, the general meeting of shareholders may adopt decisions to introduce amendments to the company's charter to bring it in line with the requirements established for a public company and/or a decision to place additional shares of the company by means of a public offering.

If concurrently with a decision to introduce amendments to the charter of a non-public company stating that such company is public a decision to amend the charter of a non-public company is made for the purpose of bringing it in line with the requirements established for a public company, the said decision shall come into force from the day of the state registration of amendments to the charter of a
non-public company for the purpose of bringing it in line with the requirements for a public company. In this case, the said decisions shall be made at the general meeting of shareholders with a three-fourths majority vote of all shareholders owning shares of each category (type), unless the charter of the non-public company provides for the need for a greater number of votes, and in the event of preferred shares, as specified in Clause 6 of Article 32 hereof, unanimously by all shareholders owning such preferred shares.

3. Registration of a prospectus of shares when a company is acquiring public status may take place concurrently with the state registration of their issue (additional issue).

The documents for the registration of a prospectus of shares and, if its registration takes place concurrently with the state registration of the issue (additional issue) of shares, also documents for the state registration of the issue (additional issue) of shares shall be submitted to the Bank of Russia before entering the information on the company's commercial name stating that the company is public in the unified state register of legal entities. In this case, the decision on the registration of a prospectus of shares and, if its registration takes place concurrently with the state registration of the issue (additional issue) of shares, also the decision on the state registration of the issue (additional issue) of shares shall be made by the Bank of Russia before entering the information stipulated in this clause in the unified state register of legal entities and shall come into force from the day when such information is entered in the said register.

4. Additional grounds for denying the registration of a prospectus of shares and the state registration of an issue (additional issue) of shares when a non-public company is acquiring public status are:

1) Non-conformity of the amount of the authorised capital and outstanding shares of the company, provisions of the charter, and scope and structure of the company's bodies to the requirements established in the Civil Code of the Russian Federation and this Federal Law for a public company;

2) Absence of an agreement between the company and a trade organiser for the listing of company's shares.

Article 7.2. Termination of the public status of a company

(introduced by Federal Law No. 210-FZ, dated 29 June 2015)

1. The public status of a company shall be terminated by the introduction of amendments to its charter to remove the indication that the company is public. The public status of a company shall be terminated from the day of state registration of the said amendments to its charter and the entry of information about the commercial name of such a company that does not state that the company is public in the unified state register of legal entities.

2. Termination of public status by a company is permitted subject to simultaneous fulfilment of the following conditions:

1) The company's shares or the company's issue-grade securities convertible into shares are not in the process of placement by means of a public offering and have not been admitted to on-exchange trading;

2) The Bank of Russia has made a decision to exempt the company from the obligation to disclose the information provided for by the legislation of the Russian Federation on securities.

3. The decision to introduce amendments to the charter of a public company to exclude an indication that the company is public shall be made concurrently with the decision for the company to file an application with the Bank of Russia for exemption from the obligation to disclose the information provided for by the legislation of the Russian Federation on securities and with the decision to file an
application for the delisting of shares and issue-grade securities convertible into shares. Such decisions shall be made as part of one item of the agenda of the general meeting of shareholders. The decisions on the agenda item stipulated by this clause shall be made at the general meeting of shareholders with a 95% majority vote of all shareholders owning the company's shares of all categories (types).

4. The shareholders of a public company who voted against or did not take part in voting on the item mentioned in Clause 3 of this article shall have the right to demand that the company repurchase their shares in accordance with the rules established in Articles 75 and 76 hereof.

The decisions on the item mentioned in Clause 3 of this article shall come into force on the condition that the total number of shares in respect of which requests for repurchase have been submitted does not exceed the number of shares which may be repurchased by the company subject to the limitation established in Clause 5 of Article 76 hereof.

Chapter II. ESTABLISHMENT, REORGANISATION, AND LIQUIDATION OF A COMPANY
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

Article 8. Incorporation of a company

A company may be incorporated through the foundation of a new company or the reorganisation of an existing legal entity (merger, division, separation, transformation).
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

A company shall be deemed incorporated from the moment of its state registration.

Article 9. Foundation of a company

1. Incorporation of a company through foundation shall be carried out by the decision of its founders (founder). A decision on the foundation of the company shall be made by the organisational meeting. If the company is founded by a single person, the decision on its foundation shall be made by this person alone.

2. The decision to found a company shall contain the results of the founders' voting and their decisions made with regard to the foundation of the company, approval of the company charter, election of the management bodies of the company and the audit commission (inspector), and approval of the company registrar.
(as amended by Federal Laws No. 146-FZ, dated 27 July 2006; No. 210-FZ, dated 29 June 2015)

3. The decision on the foundation of a company, approval of its charter, and approval of the monetary value of securities, other items or property rights or other rights having monetary value contributed by a founder to pay for the company's shares shall be made by the founders unanimously.

4. Election of the management bodies of the company and the audit commission (inspector) of the company, approval of the company registrar, and approval of the company auditor in the case stipulated by this clause shall be carried out by the company founders with a three-fourths majority of the votes representing the shares to be distributed among the company's founders.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

When founding a company, the founders may approve a company auditor. In this case, the decision to found the company shall contain the results of the company founders' voting and a decision made by the founders to approve the company auditor.
(Clause 4 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

5. The company's founders shall conclude a written founders’ agreement which governs their joint activity for the foundation of the company, the amount of the authorised capital of the company, the categories and types of shares to be distributed among the founders, the amount and procedure for their payment, and the rights and duties of the founders with regard to the foundation of the company.
The founders’ agreement is not a constituent document of the company and shall remain in effect until the period established therein for the payment of shares to be distributed among the founders expires. (as amended by Federal Law No. 282-FZ, dated 29 December 2012)

If the company is founded by a single person, the decision on its foundation shall define the amount of the authorised capital of the company, the categories (types) of shares, and the amount and procedure for their payment. (Paragraph introduced by Federal Law No. 120-FZ, dated 7 August 2001)

6. Special considerations of the foundation of a company with the participation of foreign investors may be provided for by federal laws. (Clause 6 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

Article 10. Company founders

1. Individuals and/or legal entities that made a decision on the foundation of a company shall be its founders.

Governmental authorities and local authorities shall not be company founders, unless otherwise established by federal laws.


A business entity consisting of a single entity shall not be a sole founder (shareholder) of a company, unless otherwise established by a federal law. (as amended by Federal Law No. 13-FZ, dated 5 February 2007)

3. A company’s founders shall bear joint and several liability for the obligations associated with its incorporation and arising prior to the state registration of this company.

A company shall bear liability for the founders’ obligations associated with its incorporation only subject to subsequent approval of their actions by the general meeting of shareholders.

Article 11. Company Charter

1. A company's charter is a constituent document of the company.

2. The requirements set forth in a company’s charter shall be binding upon all company bodies and its shareholders.

3. A company's charter shall contain the following information:

The full and short commercial names of the company;

The company’s location;

Paragraph no longer valid. — Federal Law No. 210-FZ, dated 29 June 2015;

The quantity, par value, and categories (ordinary, preferred) of shares and types of preferred shares placed by the company;

The rights of shareholders owning shares of each category (type);

The amount of the authorised capital of the company;

The structure and competence of the management bodies of the company and the procedure for their decision-making;
The procedure for the preparation and holding the general meeting of shareholders, including the list of items on which a decision is to be made by the management bodies of the company by a qualified majority or unanimously;

Paragraph no longer valid. — Federal Law No. 210-FZ, dated 29 June 2015;

Other provisions stipulated by this Federal Law and other federal laws.
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

ConsultantPlus: note.

See Federal Law No. 210-FZ, dated 29 June 2015, regarding the decision-making procedure before 1 January 2017 for amending and/or excluding the provisions set forth in the paragraph below from the charter of a non-public company incorporated before 1 September 2014.

The charter of a non-public company may establish limitations on the number of shares belonging to one shareholder and on their aggregate par value as well as on the maximum number of votes provided to one shareholder. The said provisions may be provided for by the charter of the company upon its foundation or may be introduced to, amended, and/or removed from its charter by a decision made at the general meeting of shareholders by all the company’s shareholders unanimously.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

A company’s charter may also contain other provisions that are not in conflict with this Federal Law and other federal laws.

A company’s charter shall contain information on the use of a special right with respect to the company for the participation of the Russian Federation, a Russian constituent, or a municipality in the management of that company (a ‘golden share’).
(Paragraph introduced by Federal Law No. 120-FZ, dated 7 August 2001)

3.1. Along with the information provided in Clause 3 of this article, the charter of a public company shall also contain:

1) An indication of the public status of the company;

2) An indication of whether there is a board of directors (supervisory board) in the structure of the management bodies of the company and its competence and decision-making procedure.
(Clauses 3.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

4. At the request of a shareholder, the auditor, or any stakeholder, a company shall provide them with the opportunity to acquaint themselves with the company charter, including amendments and supplements thereto, within a reasonable time. A company shall provide a shareholder at their request with a copy of the effective company charter. The fee charged by the company for providing this copy shall not exceed the costs of its production.

Article 12. Introduction of amendments and supplements to a company’s charter or approval of a new version of a company’s charter

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. The introduction of amendments and supplements to a company's charter or the approval of a new version of a company's charter shall be carried out by resolution of the general meeting of shareholders, except as otherwise provided for by Clauses 2–6 of this article.
(as amended by Federal Law No. 146-FZ, dated 27 July 2006)

2. The introduction of amendments and supplements to a company's charter, including amendments associated with the increase of the authorised capital of the company, shall be carried out after the placement of the company’s shares based on the resolution of the general meeting of
shareholders to increase the authorised capital of the company; based on the decision of the board of directors (supervisory board) of the company, if the right to make such a decision is reserved by the latter in accordance with the company charter; based on the resolution of the general meeting of shareholders to reduce the authorised capital by reducing the par value of shares or another decision on the basis of which shares and issue-grade securities convertible into shares are placed; or based on a registered report on the results of the issue of shares or based on an extract from the state register of issue-grade securities, if in accordance with a federal law the procedure for shares issuance does not provide for state registration of a report on the results of the share issue. When the authorised capital of the company is increased through the placement of additional shares, the authorised capital shall be increased by the par value of the additional shares placed, and the number of authorised shares of certain categories and types shall be reduced by the number of outstanding additional shares of certain categories and types.

(Clause 2 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3. The introduction of amendments and supplements to a company's charter associated with the reduction of the authorised capital of the company through the purchase of the company's shares for the purpose of their redemption shall be carried out by a resolution of the general meeting of shareholders on such reduction and based on a report on the results of the acquisition of shares approved by the board of directors (supervisory board) of the company. The introduction of amendments and supplements to a company's charter associated with the reduction of the authorised capital of the company by way of redemption of company's treasury shares in the cases stipulated by this Federal Law shall be carried out by resolution of the general meeting of shareholders on such reduction and based on a report on the results of share redemption approved by the board of directors (supervisory board) of the company. In these cases, the authorised capital of the company shall be reduced by the par value of redeemed shares.

(Clause 3 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

4. Information about the use with respect to the company of a special right of the participation of the Russian Federation, a constituent of the Russian Federation, or a municipality in the management of that company (a 'golden share') shall be introduced into the company's charter based on the decision of the Government of the Russian Federation, the governmental authority, or the local authority, respectively, on the use of the said special right, and the exclusion of such information shall be carried out based on the decision of these bodies on the termination of such special right.


6. The introduction of amendments and supplements to a company's charter related to the size of its authorised capital, including the number of outstanding shares, shall be carried out following the results of the distribution of shares at the moment of the company's incorporation through reorganisation by way of merger based on the merger agreement and on a duly registered report on the results of the issue of shares distributed upon incorporation of this company.

(Clause 6 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

**Article 13. State registration of a company**

A company shall be subject to state registration with the body in charge of the state registration of legal entities in accordance with the procedure established by the federal law on the state registration of legal entities.

Part two removed. – Federal Law No. 31-FZ, dated 21 March 2002.

**Article 14. State registration of amendments and supplements to a company's charter or of a new version of a company's charter**

1. Amendments and supplements to a company's charter or a new version of a company's charter shall be subject to state registration in accordance with the procedure established by Article 13 hereof
for the registration of a company.

2. Amendments and supplements to a company's charter or a new version of a company's charter shall become effective for third parties from the moment of their state registration and, in cases established by this Federal Law, from the moment of notification of the body in charge of state registration.

**Article 15. Reorganisation of a company**

1. A company may be reorganised voluntarily in accordance with the procedure established by this Federal Law. Special considerations of the reorganisation of a company that is a natural monopoly where over 25 per cent of shares are held in federal ownership shall be determined by the federal law that establishes the grounds and the procedure for the reorganisation of such a company. (as amended by Federal Law No. 101-FZ, dated 24 May 1999)

   Other grounds and the procedure for company reorganisation are set forth in the Civil Code of the Russian Federation and other federal laws.

2. Reorganisation of a company may be carried out in the form of merger, accession, division, separation, or transformation.

3. The assets of companies incorporated as a result of reorganisation shall be formed only with the assets of the reorganised companies. (Clause 3 introduced by Federal Law No. 120-FZ, dated 7 August 2001)

4. A company shall be deemed reorganised, except when the reorganisation is carried out in the form of accession, from the moment of the state registration of the newly incorporated legal entities.

   Upon the reorganisation of a company through accession of another company to it, the former shall be deemed reorganised from the moment a record is made in the unified state register of legal entities on the winding up of the acceding company. (as amended by Federal Law No. 120-FZ, dated 7 August 2001)

5. State registration of companies newly incorporated as a result of reorganisation and the making of a record on the winding up of reorganised companies shall be carried out in accordance with the procedure established by federal laws.

6. After making a record in the unified state register of legal entities on the start of the reorganisation procedure, the reorganised company shall publish a notice of its reorganisation twice (once a month) in the media outlets where information on the state registration of legal entities is published; this notice shall meet the requirements set forth in Clauses 6.1 and 6.2 of this article. If two or more companies are participating in the reorganisation, a notice of the reorganisation shall be published on behalf of all companies participating in the reorganisation by the company that was the last to make a decision on the reorganisation or the company determined in the decision on the reorganisation. In the event of company reorganisation, creditors shall receive the guarantees provided for by Article 60 of the Civil Code of the Russian Federation. (as amended by Federal Law No. 315-FZ, dated 30 December 2008)

   State registration of the companies incorporated as a result of the reorganisation and the making of records on the winding up of the reorganised companies shall be carried out subject to proof of notification of creditors in accordance with the procedure established in this clause.

   If the separation balance sheet or the certificate of ownership and merger does not enable the identification of the legal successor of a reorganised company, the legal entities incorporated as a result of the reorganisation shall bear joint and several liability under the obligations of the reorganised company to its creditors.

   A certificate of ownership and merger or a separation balance sheet shall contain provisions on
legal succession under all obligations of the reorganised company in respect of all its creditors and debtors, including disputed obligations, and the procedure for determining legal succession in connection with changes in the type, scope, and value of the assets of the reorganised company as well as in connection with the occurrence, alteration, and termination of rights and obligations of the reorganised company which may take place after the date of the certificate of ownership and merger or separation balance sheet.

(Paragraph introduced by Federal Law No. 146-FZ, dated 27 July 2006)

(Clause 6 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

6.1. A message (notice) on reorganisation shall indicate:

1) The full and short names and location of each of the companies participating in the reorganisation;

2) The full and short names and information on the location of each company incorporated (continuing its business) as a result of the reorganisation;

3) Form of the reorganisation;

4) A description of the procedure and conditions for the filing of claims by the creditors of each legal entity participating in the reorganisation, including an indication of the location of each permanent executive body of the legal entity, additional addresses where such claims may be filed, and methods for contacting the reorganised company (telephone, fax numbers, e-mail addresses, and other details);

5) Information about the persons performing the functions of the sole executive body of each legal entity participating in the reorganisation and the legal entities incorporated (continuing their business) as a result of the reorganisation;

6) Information about entities that intend to provide security to the creditors of the reorganised company and about the conditions for securing performance under the obligations of the reorganised company (if there are such entities).

(Clause 6.1 introduced by Federal Law No. 315-FZ, dated 30 December 2008)

6.2. The notice on reorganisation may also indicate additional information about the company participating in the reorganisation, particularly including information about the credit ratings of the company and their changes over the last three complete reporting years or over each complete reporting year, if the company has been operating for less than three years.


7. A merger agreement, an accession agreement, or a decision on company reorganisation through division, separation, or transformation may provide for a special procedure for the reorganised company to perform certain transactions and/or types of transactions or a prohibition on its performance of such transactions from the moment a decision is made on the company’s reorganisation until such reorganisation is finished. A transaction performed in breach of the said special procedure or prohibition may be recognised as invalid in a lawsuit initiated by the reorganised company and/or companies or by a shareholder of the reorganised company and/or companies who was a shareholder at the moment the transaction was performed.

In respect of the entities specified in Subclauses 5–7 of Clause 3, Article 16, Subclauses 4–6 of Clause 3, Article 18, Subclauses 4–6 of Clause 3, Article 19, and Subclauses 4–7 of Clause 3, Article 20 hereof, a merger agreement or a decision on company reorganisation through division, separation, or transformation shall contain:

Name and identification document details (document series and/or number, date and place of issue, issuing authority): for individuals;

For a management company (if such an agreement or a decision provide for the transfer of the
powers of the sole executive body of the company incorporated through reorganisation to a management company): name, information about the location.

If a merger agreement or a decision on company reorganisation through division, separation, or transformation provide for indicating the auditor of a newly incorporated company/companies, such agreement or decision shall contain:

For an audit organisation: name, information about the location;

For an entrepreneur conducting auditing activity without the incorporation of a legal entity: name, identification document details (document series and/or number, date and place of issue, issuing authority).

(Clausal 7 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

8. The charter of a non-public company may establish, for certain categories (types) of shares, a procedure (including disproportion) for their conversion into the shares of another company incorporated as a result of company reorganisation and/or a procedure (including disproportion) for their exchange for the shares of participants in the share capital of a limited liability company, shares or contributions in the joint-stock capital of a business partnership or units of members of a production cooperative which are incorporated as a result of company reorganisation.

The provisions set forth in this clause may be provided for by the charter of a non-public company upon its foundation or may be introduced to, amended, and/or removed from its charter by a decision made at the general meeting of shareholders by all the company's shareholders unanimously.

(Clausal 8 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

Article 16. Merger of companies

1. Merger of companies shall mean the creation of a new company by transferring to it all the rights and duties of two or several companies and the winding up of the latter.

2. Companies involved in merger shall conclude a merger agreement. The board of directors (supervisory board) of each company involved in a merger shall bring the matter of reorganisation through merger and the matter of the election of members to the board of directors (supervisory board) of the company incorporated as a result of the merger for review to the general meeting of shareholders of each company involved in the merger.

The general meeting of shareholders of each company involved in a merger shall make a decision on the matter of the reorganisation of each such company through merger, which shall include the approval of a merger agreement, a certificate of ownership and merger of the company involved in merger, and the charter of the company incorporated by way of reorganisation through merger, and shall also decide on the election of members to the board of directors (supervisory board) of the newly incorporated company in the number established in the draft merger agreement for each company involved in the merger, unless the charter of the newly incorporated company in accordance with this Federal Law provides for the exercise of the functions of the board of directors (supervisory board) of the newly incorporated company by the general meeting of shareholders of such company. The ratio of the number of members of the board of directors (supervisory board) of the newly incorporated company who are elected by each company involved in the merger to the total number of members of the board of directors (supervisory board) in the newly incorporated company shall be proportional to the ratio of the number of shares of the newly incorporated company which are to be distributed among the shareholders of the company involved in the merger to the total number of shares of the newly incorporated company to be distributed. The number of members of the board of directors (supervisory board) of the newly incorporated company elected by each company involved in the merger, as calculated in accordance with this clause, shall be rounded up/down to a whole number in accordance with the applicable rounding procedure.

(Clausal 2 as amended by Federal Law No. 146-FZ, dated 27 July 2006)
3. A merger agreement shall contain:

1) The name and information about the location of each company involved in the merger and the name and information about the location of the company incorporated by way of reorganisation through merger;

2) The merger terms and procedure;

3) The procedure for converting shares of each company involved in the merger into shares of the newly incorporated company and the ratio (coefficient) of conversion of the shares of such companies;

4) An indication of the number of members of the board of directors (supervisory board) of the newly incorporated company that are to be elected by each company involved in the merger, unless the charter of the newly incorporated company in accordance with this Federal Law provides for the exercise of the functions of the board of directors (supervisory board) of the newly incorporated company by the general meeting of shareholders of this company;

5) The list of members of the audit commission or an indication of the inspector of the newly incorporated company;

6) The list of members of the collective executive body of the newly incorporated company, if the charter of the newly incorporated company provides for the existence of a collective executive body, and its establishment falls within the competence of the general meeting of shareholders;

7) An indication of the person performing the functions of the sole executive body of the newly incorporated company;

8) The name of the registrar of the newly incorporated company and information about its location.

(Subclause 8 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

(Clause 3 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3.1. A merger agreement may contain an indication of the auditor of the company incorporated by way of reorganisation through merger, the registrar of the newly incorporated company, an indication of the assignment of the powers of the sole executive body of the newly incorporated company to a management company or to a manager, other information about the entities mentioned in Subclauses 5–7 of Clause 3 of this article, and other provisions about the reorganisation which are not in conflict with federal laws.

(Clause 3.1 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

4. In the event of a merger of companies, the shares of a company belonging to another company involved in the merger as well as the treasury shares belonging to the company involved in the merger shall be redeemed.

(Clause 4 introduced by Federal Law No. 120-FZ, dated 7 August 2001)

5. In the event of a merger of companies, all their rights and obligations shall be transferred to the newly incorporated company in accordance with the certificate of ownership and merger.

**Article 17. Accession of a company**

1. Accession of a company shall mean the winding up of one or several companies with the transfer of all their rights and obligations to another company.

2. The acceding company and the company to which it accedes shall conclude an accession agreement.

The board of directors (supervisory board) of each company involved in the accession shall bring the matter of reorganisation through accession for resolution to the general meeting of shareholders of
each such company. The board of directors (supervisory board) of the company to which accession is
effectuated shall also bring other matters for resolution to the general meeting of shareholders, if this is
provided for by the accession agreement.

The general meeting of shareholders of the company to which accession is effectuated shall make
a decision on reorganisation through accession, which includes the approval of an accession agreement,
and shall also make decisions on other matters (including a decision on the introduction of amendments
and supplements to the charter of such company), if this is provided for by the accession agreement.
The general meeting of shareholders of the acceding company shall make a decision on reorganisation
through accession, which shall include approval of the accession agreement and the certificate of
ownership and merger.
(Clause 2 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3. An accession agreement shall contain:

1) The name and information about the location of each company involved in accession;

2) The accession terms and procedure;

3) The procedure for converting the shares of the acceding company into the shares of the
company to which accession is being effectuated and conversion ratio (coefficient) of the shares of such
companies.
(Clause 3 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3.1. An accession agreement may contain a list of amendments and supplements introduced to
the charter of the company to which accession is effectuated as well as other provisions about the
reorganisation which are not in conflict with federal laws.
(Clause 3.1 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

4. The following shares shall be subject to redemption upon accession of a company:

1) Treasury shares belonging to the acceding company;

2) Shares of the acceding company which belong to the company to which accession is being
effectuated;

3) Shares of the company to which accession is being effectuated which belong to the acceding
company, if this is provided for by the accession agreement.
(Clause 4 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

4.1. If treasury shares belonging to the company to which accession has been effectuated are not
subject to redemption in accordance with Subclause 3 of Clause 4 of this article, such shares shall not
grant the right to vote, shall not be taken into account in vote counting, and no dividends shall be
accrued on them. Such shares shall be sold by the company at a price not lower than their market value
and no later than within one year after their acquisition by the company; otherwise the company shall
make a decision to reduce its authorised capital by way of redemption of such shares.
(Clause 4.1 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

5. Upon accession of one company to another, the latter shall acquire all the rights and obligations
of the acceding company in accordance with the certificate of ownership and merger.

Article 18. Division of a company

1. Division of a company shall mean the winding up of the company and the transfer of all its
rights and obligation to newly incorporated companies.

2. The board of directors (supervisory board) of a company being reorganised through division
shall bring the matter of the company's reorganisation through division and the matter of election of the
board of directors (supervisory board) of each company incorporated as a result of the division for resolution to the general meeting of the company being reorganised, unless the charter of the newly incorporated company, in accordance with this Federal Law, provides for the exercise of the functions of the board of directors (supervisory board) of this company by the general meeting of shareholders of such company.

(Clause 2 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3. The general meeting of shareholders of a company being reorganised through division, with regard to the matter of company reorganisation through division, shall make a decision on company reorganisation, which shall contain:

1) The name and information about the location of each company to be incorporated by way of reorganisation through division;

2) The division terms and procedure;

3) The procedure for converting the shares of the reorganised company into shares of each newly incorporated company and the conversion ratio (coefficient) of shares of such companies;

4) The list of members of the audit commission or an indication of the inspector of each newly incorporated company;

5) The list of members of the collective executive body of each newly incorporated company, if the charter of the corresponding newly incorporated company provides for the existence of a collective executive body and its establishment falls within the competence of the general meeting of shareholders;

6) An indication of the person performing the functions of the sole executive body of each newly incorporated company;

7) An indication of the approval of the division balance sheet, with the division balance sheet attached;

8) An indication of the approval of the charter of each newly incorporated company, with the charter of each newly incorporated company attached;

9) The name of the registrar of each newly incorporated company and information about its location.

(Subclause 9 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

(Clause 3 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3.1. A decision on reorganisation through division may contain an indication of the auditor of the company incorporated by way of reorganisation through division, the registrar of the newly incorporated company, an indication of the assignment of the powers of the sole executive body of the newly incorporated company to a management company or to a manager, other information about the entities mentioned in Subclauses 4–6 of Clause 3 of this article, and other provisions about reorganisation which are not in conflict with federal laws.

(Clause 3.1 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

3.2. The board of directors (supervisory board) of each company incorporated by way of reorganisation through division shall be elected by the shareholders of the reorganised company among which the ordinary shares of the corresponding newly incorporated company are to be distributed in pursuance of the decision on company reorganisation as well as by the shareholders owning preferred shares of the reorganised company (which are voting shares at the moment the decision on company reorganisation is made in accordance with Clause 5 of Article 32 hereof) among which the preferred shares of the corresponding newly incorporated company are to be distributed in pursuance of the decision on company reorganisation.

(Clause 3.2 introduced by Federal Law No. 146-FZ, dated 27 July 2006)
3.3. Each shareholder of the reorganised company that voted against the decision on company reorganisation or did not vote on the decision on company reorganisation shall receive shares of each company incorporated by way of reorganisation through division, which shall grant the same rights as the shares belonging to such a shareholder in the reorganised company in a proportional amount. (Clause 3.3 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

4. In the event of the division of a company, all its rights and obligations shall be transferred to two or several newly incorporated companies in accordance with the division balance sheet.

**Article 19. Separation of a company**

1. Separation of a company shall mean the incorporation of one or several companies and the transfer of a part of the rights and obligations of the reorganised company to them without winding up the reorganised company.

2. The board of directors (supervisory board) of a company being reorganised through separation shall bring the matter of company reorganisation through separation and the matter of the election of the board of directors (supervisory board) of each company incorporated by way of reorganisation through separation for resolution to the general meeting of the reorganised company, unless the charter of the newly incorporated company, in accordance with this Federal Law, provides for the exercise of the functions of the board of directors (supervisory board) of this company by the general meeting of shareholders of such company. (Clause 2 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3. The general meeting of shareholders of a company reorganised through separation, with regard to the matter of company reorganisation through separation, shall make a decision on company reorganisation, which shall contain:

   1) The name and information about the location of each company incorporated by way of reorganisation through separation;

   2) The separation terms and procedure;

   3) The method for the placement of shares of each newly incorporated company (conversion of shares of the reorganised company into shares of the newly incorporated company, distribution of shares of the newly incorporated company among the shareholders of the reorganised company, acquisition of shares of the newly incorporated company by the reorganised company itself), the procedure for such placement, and, in the event of conversion of shares of the reorganised company into shares of the newly incorporated company, the conversion ratio (coefficient) of shares of such companies;

   4) The list of members of the audit commission or an indication of the inspector of each newly incorporated company;

   5) The list of members of the collective executive body of each newly incorporated company, if the charter of the corresponding newly incorporated company provides for the existence of a collective executive body and its establishment falls within the competence of the general meeting of shareholders;

   6) An indication of the person performing the functions of the sole executive body of each newly incorporated company;

   7) An indication of the approval of the division balance sheet, with the division balance sheet attached;

   8) An indication of the approval of the charter of each newly incorporated company, with the charter of each newly incorporated company attached;
9) Name of the registrar of the newly incorporated company and information about its location (Subclause 9 as amended by Federal Law No. 210-FZ, dated 29 June 2015).
(Clause 3 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3.1. A decision on reorganisation through separation may contain an indication of the auditor of the company incorporated by way of reorganisation through separation, the registrar of the newly incorporated company, an indication of the assignment of powers of the sole executive body of the newly incorporated company to a management company or to a manager, other information about the entities mentioned in Subclauses 4–6 of Clause 3 of this article, and other provisions about reorganisation which are not in conflict with federal laws.
(Clause 3.1 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

3.2. The board of directors (supervisory board) of each company incorporated by way of reorganisation through separation shall be elected by the shareholders of the reorganised company among which the ordinary shares of the corresponding newly incorporated company are to be distributed in pursuance of the decision on company reorganisation as well as by the shareholders owning preferred shares of the reorganised company (which are voting shares at the moment the decision on reorganisation is made in accordance with Clause 5 of Article 32 hereof) among which the preferred shares of the corresponding newly incorporated company are to be distributed in pursuance of the decision on company reorganisation.

If in accordance with the decision on company reorganisation through separation the reorganised company is the sole shareholder of the newly incorporated company, the board of directors (supervisory board) of the newly incorporated company shall be elected by shareholders of the reorganised company.
(Clause 3.2 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

3.3. If the decision on company reorganisation through separation provides for the conversion of shares of the reorganised company into shares of a newly incorporated company or distribution of shares of a newly incorporated company among the shareholders of the reorganised company, each shareholder of the reorganised company who voted against the decision on company reorganisation or did not vote on company reorganisation shall receive shares of each newly incorporated company which shall grant the same rights as the shares belonging to such shareholder in the reorganised company in a proportional amount.
(Clause 3.3 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

4. In the event of the separation of one or several companies from a company, each of those companies shall acquire a part of the rights and obligations of the company reorganised through separation in accordance with the separation balance sheet.

Article 19.1. Special considerations of the division or separation of a company which take place concurrently with a merger or accession

(introduced by Federal Law No. 146-FZ, dated 27 July 2006)

1. The resolution of the general meeting of shareholders of the company on the reorganisation of a company through division or separation may stipulate a provision with regard to one or several companies incorporated by way of reorganisation through division or separation on the concurrent merger of the newly incorporated company with another company or companies or on the concurrent accession of the newly incorporated company to another company. In this case, the reorganisation shall be carried out in compliance with the provisions of Articles 15–19 hereof, unless otherwise established by this article.

2. A merger agreement or an accession agreement shall be signed on behalf of the company incorporated by way of reorganisation through division or separation by the person designated by the resolution of the general meeting of shareholders of the company being reorganised in accordance with
this article through division or separation.

3. The board of directors (supervisory board) of the company being reorganised in accordance with this article through division or separation, along with the matter of company reorganisation through division or separation, shall also bring the matter of the reorganisation of the company that has been incorporated by way of reorganisation through division or separation by means of a merger with another company or companies or accession to another company to the general meeting of shareholders for resolution.

4. The general meeting of shareholders of a company being reorganised in accordance with this article in the form of a division shall make decisions in accordance with Articles 16 or 17 and Article 18 hereof, respectively, on

1) Reorganisation of the company through a division;

2) Reorganisation of a company incorporated by way of reorganisation through a division by means of a merger with another company or companies or through accession to another company.

5. The general meeting of shareholders of a company reorganised in accordance with this article in the form of a separation shall make decisions in accordance with Articles 16 or 17 and Article 19 hereof, respectively, on:

1) Reorganisation of the company through a separation;

2) Reorganisation of a company incorporated by way of reorganisation through a separation by means of a merger with another company or companies or through accession to another company.

6. The resolution of the general meeting of shareholders of a company on the reorganisation of the company through division or separation made in accordance with this article may provide for the entry of this decision into force only in the cases when the general meeting of shareholders of the reorganised company has made a decision on the concurrent merger of the company incorporated by way of reorganisation through division or separation with another company or companies or a decision on the concurrent accession of the newly incorporated company to another company, and/or when the general meeting of shareholders of another company or companies involved in the merger or accession has made the decisions specified in Clause 2 of Article 16 or Clause 2 of Article 17 hereof.

7. Issuance of securities of a company incorporated by way of reorganisation through division or separation in accordance with this article shall be carried out without state registration of the issues of its securities and without the state registration of reports on the results of their issue. A state registration or identification number shall be assigned to such issues of securities concurrently with the state registration of the issue (additional issue) of issue-grade securities placed during the merger of the newly incorporated company with another company or companies or during the accession of the newly incorporated company to another company in accordance with the procedure established by the Bank of Russia. If accession of the newly incorporated company to another company does not provide for the placement of securities of the company to which accession is being effectuated, the state registration or identification number shall be assigned to the securities of the newly incorporated company by the Bank of Russia in accordance with the procedure established thereby. (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The register of owners of issue-grade securities of the company incorporated by way of reorganisation through division or separation concurrently with its merger with another company or companies or along with its accession to another company shall be maintained by the holder of the register of shareholders of the company incorporated by way of reorganisation through merger or the company to which accession is being effectuated.

8. The division balance sheet containing provisions identifying the company incorporated by way of reorganisation through division or separation as the legal successor of the company reorganised
through division or separation shall constitute the certificate of ownership and merger under which the rights and duties of the company reorganised through division or separation are transferred to the company incorporated by way of reorganisation through merger or to the company to which accession of the company incorporated by way of reorganisation through division or separation is being effectuated.

9. In the event of the reorganisation of a company through division or separation concurrently with reorganisation through merger, the latter shall be deemed completed from the moment of state registration of the company incorporated by way of reorganisation through merger.

Reorganisation of a company through division or separation and concurrent reorganisation through merger shall be deemed completed from the moment a record is made in the unified state register of legal entities on the winding up of the company incorporated by way of reorganisation through division or separation. Such a record shall be made concurrently with the record in the unified state register of legal entities on the state registration of the company incorporated by way of reorganisation through division or separation. In this case, the record on the state registration of the company incorporated by way of reorganisation through division or separation shall be made first, and then the record on its winding up.

Article 20. Transformation of a company

ConsultantPlus: note.
A joint-stock company may transform itself into a limited liability company, a business partnership, or a production cooperative (Clause 2 of Article 104 of the Civil Code of the Russian Federation).

1. A company may transform itself into a limited liability company or into a production cooperative in compliance with the requirements established by federal laws.

A company may transform itself into a non-commercial partnership by a unanimous decision of all shareholders. (Paragraph introduced by Federal Law No. 120-FZ, dated 7 August 2001)

2. The board of directors (supervisory board) of a company reorganised through transformation shall bring the matter of company reorganisation through transformation for resolution to the general meeting of shareholders of such a company. (Clause 2 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3. The general meeting of shareholders of a company reorganised through transformation, with regard to the matter of company reorganisation through transformation, shall make a decision on reorganisation, which shall contain:

1) The name and information about the location of the legal entity incorporated by way of company reorganisation through transformation;

2) The transformation terms and procedure;

3) The procedure for exchanging company stock for the shares of participants in the authorised capital of a limited (additional) liability company or units of members of a production cooperative, if the company transforms itself into a limited (additional) liability company or into a production cooperative, or the procedure for determining the property holding or the value of property which a member of the non-commercial partnership is entitled to receive upon quitting or being excluded from the non-commercial partnership or in the event of its winding up, when such member is also a shareholder of the company reorganised into this non-commercial partnership;

4) The list of members of the audit commission or an indication of an inspector of the newly
incorporated legal entity, if in accordance with the federal laws the charter of such newly incorporated legal entity provides for the existence of an audit commission or an inspector, and establishment of an audit commission or election of an inspector falls within the competence of the supreme management body of the newly incorporated legal entity;

5) The list of members of the collective executive body of the newly incorporated legal entity, if in accordance with federal laws the charter of such a legal entity provides for the existence of a collective executive body, and its establishment falls within the competence of the supreme management body of such legal entity;

6) An indication of the person performing the functions of the sole executive body of the newly incorporated legal entity;

7) The list of members of any other body (except for the general meeting of participants of a business company or members of a non-commercial partnership) of the newly incorporated legal entity, if in accordance with federal laws the charter of such newly incorporated legal entity provides for the existence of such another body, and its establishment falls within the competence of the supreme management body of the newly incorporated legal entity;

8) An indication of the approval of the certificate of ownership and merger, with the certificate of ownership and merger attached;

9) An indication of the approval of the constituent documents of the newly incorporated legal entities, with the constituent documents attached.

(Clause 3 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

3.1. The decision on company reorganisation through transformation may contain an indication of the auditor of the legal entity incorporated by way of company reorganisation through transformation and other information about the entities specified in Subclauses 4–7 of Clause 3 of this article as well as other provisions about the company reorganisation which are not in conflict with federal laws.

(Clause 3.1 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

4. Upon transformation of the company, the newly incorporated legal entity shall acquire all rights and obligations of the reorganised company in accordance with the certificate of ownership and merger.

Article 21. Winding up of a company

1. A company may be wound up voluntarily in accordance with the procedure established by the Civil Code of the Russian Federation, with due regard to the requirements of this Federal Law and the charter of the company. A company may be wound up by decision of the court on the grounds stipulated by the Civil Code of the Russian Federation.

Winding up of a company entails its termination without the transfer of rights and obligations by way of succession to other entities.

2. In the event of the voluntary winding up of a company, the board of directors (supervisory board) of the liquidated company shall bring the matter of winding up of the company and the appointment of a liquidation commission for resolution to the general meeting of shareholders.

The general meeting of shareholders of the voluntarily liquidated company shall make a decision on the winding up of the company and on the appointment of a liquidation commission.

3. From the moment of appointment of the liquidation commission, it shall acquire all powers related to the management of company affairs. The liquidation commission shall act in court on behalf of the liquidated company.

4. When a shareholder of a liquidated company is the state or a municipality, the liquidation commission shall include a representative of the respective committee in charge of property
Article 22. Company liquidation procedure

1. The liquidation commission shall publish a notice of the company's winding up and on the procedure and time period for the filing of claims by its creditors in the print publications where information on the registration of legal entities is published. The time period for the filing of claims by creditors shall not be less than two months from the date of publication of the notice of company liquidation.

2. If at the moment a decision is made on winding up the company has no liabilities to creditors, its assets shall be distributed among its shareholders in accordance with Article 23 hereof.

3. The liquidation commission shall take measures to identify creditors and to recover receivables and shall notify creditors in writing on the winding up of the company.

4. Upon the expiry of the time period for the filing of claims by creditors, the liquidation commission shall draw up an interim liquidation balance sheet which contains information on the property holdings of the liquidated company, claims filed by creditors, and the results of their review. The interim liquidation balance sheet shall be approved by the general meeting of shareholders.

5. If the available money of the liquidated company is not enough to satisfy creditors' claims, the liquidation commission shall sell other assets of the company at a public auction in accordance with the procedure established for the execution of judicial resolutions.

6. The money shall be paid to the creditors of the liquidated company by the liquidation commission in the order established by the Civil Code of the Russian Federation, in accordance with the interim liquidation balance sheet, starting from the day of its approval, except for the creditors of the fifth rank, to which the money shall be paid upon the expiry of one month from the date of approval of the interim liquidation balance sheet.

7. Upon completion of settlements with creditors, the liquidation commission shall execute the liquidation balance sheet, which shall be approved by the general meeting of shareholders.

Article 23. Distribution of property of a liquidated company among shareholders

1. The property of a liquidated company left after the finalisation of settlements with creditors shall be distributed by the liquidation commission among shareholders in the following order:

   First, payments under shares to be repurchased in accordance with Article 75 hereof shall be made;

   Second, payments of accrued and unpaid dividends on preferred shares and the liquidation value under preferred shares, as determined by the company charter, shall be made;

   Third, distribution of the property of the liquidated company among the shareholders owning ordinary shares and all types of preferred shares shall be carried out.

2. Distribution of the property of each rank shall be carried out after the full distribution of the property of the previous rank. Payment by the company of the liquidation value determined by the company charter under preferred shares of a certain type shall be made after the full payment of the liquidation value determined by the company charter under preferred shares of the previous rank.
If the company's assets are not sufficient to pay the accrued and not paid dividends and the liquidation value determined by the company charter to all shareholders owning preferred shares of one type, the assets shall be distributed among the shareholders owning this type of preferred shares in proportion to the number of shares of this type belonging to them.

**Article 24. Completion of company liquidation**

Winding up of a company shall be deemed finished and the company wound up from the moment the respective record is made in the unified state register of legal entities by the state registration body.

ConsultantPlus: note.
The provisions of this Federal Law (as amended by Federal Law No. 210-FZ, dated 29 June 2015) on the exercise of rights under securities shall not apply if the grounds for exercising such rights occurred before 1 July 2016. In the said cases, the rights under securities shall be exercised in accordance with the provisions of Russian law which were in effect as of the date of occurrence of such grounds.

**Chapter III. AUTHORISED CAPITAL OF A COMPANY. SHARES, BONDS, AND OTHER ISSUE-GRADE SECURITIES OF A COMPANY. NET ASSETS OF A COMPANY**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

**Article 25. Authorised capital and shares of a company**

1. The authorised capital of a company shall comprise the par value of the company's shares acquired by shareholders.

   A company shall place ordinary shares and may place one or several types of preferred shares. All shares of the company shall be uncertificated.

   The par value of all ordinary shares of a company shall be the same. The par value of preferred shares of the same type and the scope of rights granted by them shall be the same.

   Upon the incorporation of a company, all of its shares shall be placed among its founders.

   (Clause 1 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

ConsultantPlus: note.
Preferred shares acquired at the cost of the funds specified in Part 3 of Article 4 and Part 3 of Article 5 of Federal Law No. 173-FZ, dated 13 October 2008 (as amended on 21 July 2014), shall not be taken into account in the calculation of the proportion of preferred shares (the par value of outstanding preferred shares) in the total amount of the authorised capital of the joint-stock company for the purposes of Clause 2 of Article 25.

2. The par value of the outstanding preferred shares of the company shall not exceed 25 per cent of the company's authorised capital. A public company shall not be entitled to place preferred shares whose par value is less than the par value of ordinary shares.

   (Clause 2 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

3. If a shareholder cannot acquire a whole number of shares when exercising the preemptive right to acquire shares sold by a shareholder of a non-public company, the preemptive right to acquire additional shares, or during the consolidation of shares, then parts of shares shall be formed (the 'fractional shares').

   (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

   A fractional share shall grant the shareholder owning it the rights granted under a share of the corresponding category (type) to the extent corresponding to the part of a whole share it constitutes.
For the purpose of reflecting the total number of outstanding shares in the company charter, all outstanding fractional shares shall be summed up. If this summing up results in a fractional number, the number of outstanding shares shall be expressed in the company charter with a fractional number.

Fractional shares shall be circulated on equal terms with whole shares. If one person acquires two or more fractional shares of the same category (type), these shares shall make up one whole and/or fractional share equal to the sum of these fractional shares.
(Clause 3 introduced by Federal Law No. 120-FZ, dated 7 August 2001)

**Article 26. Minimum authorised capital of a company**

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The minimum authorised capital of a public company shall be one hundred thousand rubles. The minimum authorised capital of a non-public company shall be ten thousand rubles.

**Article 27. Outstanding and authorised shares of a company**

1. A company's charter shall define the number and par value of shares acquired by shareholders (outstanding shares) and the rights granted by such shares. Shares acquired and repurchased by the company and shares of the company whose ownership has been transferred to the company in accordance with Article 34 hereof shall be considered placed to their maturity.

A company's charter may define the quantity, par value, and categories (types) of shares which the company is entitled to place in addition to outstanding shares (the 'authorised shares') and the rights granted by such shares. In the absence of these provisions in the company charter, the company shall not be entitled to place additional shares.

A company's charter may define the procedure and terms for placement of authorised shares by the company.
(Clause 1 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

2. The decision to introduce amendments and supplements associated with the provisions about the company's authorised shares as set forth in this article to the company charter, with the exception of amendments associated with reducing their amount following the results of placement of additional shares, shall be made by the general meeting of shareholders.
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

If the company places securities convertible into shares of a certain category (type), the number of authorised shares of this category (type) shall be not less than the amount required for conversion during the period of circulation of these securities.

A company shall not be entitled to make decisions on the alteration of rights granted by the shares into which the securities placed by the company may be converted.
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

3. The decision to introduce amendments and supplements associated with the provisions about the company's authorised preferred shares as set forth in Clause 6 of Article 32 hereof to the charter of a non-public company, with the exception of amendments associated with the reduction of their amount following the results of placement of additional shares, shall be made at the general meeting of shareholders by all company shareholders unanimously.
(Clause 3 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

**Article 28. Increase of the authorised capital of a company**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)
1. The authorised capital of the company may be increased by increasing the par value of shares or by placing additional shares.

2. The decision to increase the authorised capital of the company by way of increasing the par value of shares shall be made by the general meeting of shareholders.

   The decision to increase the authorised capital of the company by way of placing additional shares shall be made by the general meeting of shareholders or by the board of directors (supervisory board) of the company, if the latter has been given the right to make such a decision in accordance with the company’s charter.

   The decision of the board of directors (supervisory board) of the company to increase the authorised capital of the company by way of placing additional shares shall be made by the board of directors (supervisory board) of the company by all its members unanimously; votes of members of the board of directors (supervisory board) of the company who have withdrawn shall not be taken into account.

3. Additional shares may be placed by the company only within the amount of authorised shares established by the company’s charter.

   The resolution of the matter of increasing the authorised capital of the company by way of placing additional shares may be adopted by the general meeting of shareholders concurrently with the decision to introduce the provisions about authorised shares necessary in accordance with this Federal Law for making such a decision to the company charter or to amend the provisions about the authorised shares.

4. A decision to increase the authorised capital of a company by way of placing additional shares shall contain:

   The number of additional ordinary shares and preferred shares of each type to be placed within the number of authorised shares of this category (type);

   The placement method;

   The offer price of additional shares placed by means of subscription, or the procedure for its determination (inter alia, when exercising a preemptive right to acquire additional shares), or an indication that such price or procedure for its determination will be established by the board of directors (supervisory board) of the company before the placement of shares is started;

   The form of payment for additional shares placed by means of subscription.

   The decision to increase the authorised capital of the company by way of placing additional shares may contain other terms and conditions for their placement.

   The offer price of additional shares or the procedure for determining it shall be established in accordance with Article 77 hereof.

   (Clause 4 as amended by Federal Law No. 282-FZ, dated 29 December 2012)

5. The increase of the authorised capital of a company by placing additional shares may be carried out at the cost of company's property. The increase of the authorised capital of a company by way of increasing the par value of shares may be carried out at the cost of the company's property only.

   The amount by which the authorised capital of the company is to be increased at the cost of the company’s property shall not exceed the difference between the net asset value of the company and the total of the authorised capital and the reserve fund of the company.

   Upon the increase of the authorised capital of the company at the cost of its property through the offering of additional shares, these shares shall be distributed among all shareholders. Each shareholder
shall receive shares of the same category (type) as the shares already belonging to the shareholder and
in proportion to the number of shares already held. The increase of the authorised capital of the
company at the cost of its property by way of placing additional shares as a result of which fractional
shares will appear is not allowed.

6. The increase of the authorised capital of a company created in the course of privatisation by
way of an additional issue of shares, if there is a block of stock granting more than 25 per cent of votes
at the general meeting of shareholders and held in state or municipal ownership, may be carried out
only in cases where as a result of such increase the share of the state or the municipality remains
unchanged, unless otherwise provided for by Federal Law No. 178-FZ, dated 21 December 2001, ‘On
Privatisation of the State and Municipal Property’.
(Clause 6 as amended by Federal Law No. 155-FZ, dated 27 July 2006)

Article 29. Reduction of the authorised capital of a company

1. A company may or, in the cases stipulated by this Federal Law, must reduce its authorised
capital.

The authorised capital of the company may be reduced by way of reducing the par value of shares
or reducing their total number, inter alia, by way of purchasing a part of the shares, in the cases
stipulated by this Federal Law.

The reduction of the authorised capital of the company by way of purchasing and retiring a part of
the shares shall be allowed if such a possibility has been provided for by the company charter.

A company shall not reduce its authorised capital if as a result of such reduction its amount
becomes less than the minimum amount of the authorised capital determined in accordance with this
Federal Law as of the date of submission of documents for the state registration of the respective
amendments in the company charter and in cases when the company must reduce its authorised capital
in accordance with this Federal Law, as of the date of the state registration of the company.
(Clause 1 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

2. The decision on the reduction of the authorised capital of a company by way of reducing the par
value of shares or by way of purchasing a part of the shares for the purpose of reducing their total
number shall be made by the general meeting of shareholders.
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

3. The decision on the reduction of the authorised capital of a company by way of reducing the par
value of shares may provide for the payment of money to all shareholders of the company and/or the
transfer of issue-grade securities placed by another legal entity and belonging to the company to the
shareholders. The decision shall define the following:

The amount by which the company's authorised capital is to be reduced;

The categories (types) of shares whose par value is to be reduced and the amount by which the
par value of each share is to be reduced;

The par value of a share of each category (type) after its reduction;

The amount of money to be paid to the company shareholders when reducing the par value of
each share and/or the amount, kind, category (type) of issue-grade securities transferred to the
company shareholders when reducing the par value of each share.

The decision to reduce the authorised capital of the company by reducing the par value of
company shares shall be made at the general meeting with a three-fourths majority vote of
shareholders holding voting shares and taking part in the general meeting of shareholders of the
company, only upon the proposal of the board of directors (supervisory board) of the company.
The decision to reduce the authorised capital of a company by way of reducing the par value of company shares with the transfer of issue-grade securities to shareholders shall provide for the transfer to each company shareholder of issue-grade securities of the same category (type) issued by the same issuer and the amount of which makes a whole number and is proportional to the amount by which the par value of shares belonging to the shareholder is being reduced. If the said requirement cannot be fulfilled, the resolution of the general meeting of shareholders made in accordance with this clause shall not be carried out. If the issue-grade securities purchased in accordance with this clause by the company shareholders are shares of another company, the decision made in accordance with this clause to reduce the authorised capital of the company may, for the purpose of fulfilling the said requirement, take into account the results of consolidation or splitting of the shares of the other company which had not been performed at the moment this decision was made.

The ratio of the value by which the company's authorised capital is to be reduced to the amount of the company's authorised capital before its reduction shall not be less than the ratio of the money received by company shareholders and/or the aggregate value of the issue-grade securities acquired by company shareholders to the amount of the company's net assets. The value of issue-grade securities belonging to the company and the amount of the company's net assets shall be determined based on the company's accounting data as of the reporting date for the quarter preceding the quarter in which the board of directors (supervisory board) of the company made the decision to convene the general meeting of shareholders of the company whose agenda contains an item on the reduction of the company's authorised capital.

The documents for the state registration of amendments and supplements introduced to the company charter and associated with the reduction of its authorised capital in accordance with the rules of this clause shall be submitted by the company to the body in charge of state registration of legal entities no earlier than 90 days following the making of a decision on the reduction of the authorised capital of the company.

Persons entitled to receive money and/or issue-grade securities acquired by company shareholders on the basis of the decision to reduce the authorised capital of the company by way of reducing the par value of shares shall be determined (registered) as of the date of conversion of the shares into shares with a lower par value. If the decision to reduce the authorised capital of the company is made subject to the results of the consolidation or splitting of shares of another company, the persons entitled to receive money and/or shares of the other company acquired by company shareholders in accordance with this clause shall be determined (registered) as of the date of state registration of the report on the results of issue of the other company's shares placed during consolidation or splitting. The decision on the consolidation or splitting of shares of the other company and the decision to reduce the authorised capital of the company may be made concurrently.

( Clause 3 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

4. A company shall not make a decision to reduce its authorised capital in accordance with the rules of Clause 3 of this article in the following cases:

Until the authorised capital has been paid up in full;

Until all shares that are to be repurchased in accordance with Article 75 hereof have been repurchased;

If as of the day this decision is made the company meets the criteria for insolvency (bankruptcy) in accordance with the Russian laws on insolvency (bankruptcy), or if the company meets these criteria as a result of the payment of money and/or alienation of issue-grade securities made in accordance with the rules of Clause 3 of this article;

If as of the day this decision is made its net asset value is less than the total of its authorised capital, reserve fund, and the amount of excess of the liquidation value of outstanding preferred shares determined by the company charter over the par value or becomes less than the total of its authorised
capital, reserve fund, and the amount of excess of the liquidation value of outstanding preferred shares determined by the company charter over the par value as a result of the payment of money and/or alienation of issue-grade securities made in accordance with the rules of Clause 3 of this article;

Until the stated dividends that have not been paid are paid up in full, including unpaid accumulated dividends on cumulative preferred shares, or until the time period specified in Clause 5 of Article 42 hereof expires;
(as amended by Federal Law No. 409-FZ, dated 28 December 2010)

In other cases stipulated by federal laws.
(Clauses 4 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

5. A company shall not pay money and/or to alienate issue-grade securities in accordance with the rules of Clause 3 of this article in the following cases:

If as of the day of payment the company meets the criteria for insolvency (bankruptcy) in accordance with Russian laws on insolvency (bankruptcy), or if the company meets these criteria as a result of the payment of money and/or alienation of issue-grade securities made in accordance with the rules of Clause 3 of this article;

If as of the day of payment its net asset value is less than the total of its authorised capital, reserve fund, and the amount of excess of the liquidation value of outstanding preferred shares determined by the company charter over the par value or becomes less than the said total as a result of the payment of money and/or alienation of issue-grade securities made in accordance with the rules of Clause 3 of this article;

In other cases stipulated by federal laws.

Upon the termination of the circumstances described in Paragraphs 2–4 of this clause, the company shall pay the money to its shareholders and/or shall transfer the issue-grade securities to them.
(Clauses 5 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

Article 30. Protection of creditors’ rights upon the reduction of the authorised capital of a company

(as amended by Federal Law No. 352-FZ, dated 27 December 2009)

1. Within three business days after a company makes a decision to reduce its authorised capital, it shall inform the body in charge of state registration of legal entities about such a decision and shall publish (two times once a month) a notice of the reduction of its authorised capital in the media outlets where information on the state registration of legal entities is published.

2. The notice of the reduction of the company’s authorised capital shall indicate the following:
(as amended by Federal Law No. 228-FZ, dated 18 July 2011)

1) The full and short name of the company and the company location;

2) The amount of the authorised capital of the company and the amount by which it is to be decreased;

3) The method, procedure, and conditions for reducing the company’s authorised capital;

4) A description of the procedure and conditions for the filing of claims by company creditors, as provided for by Clause 3 of this article, indicating the address (location) of the permanent executive body of the company, additional addresses to which such claims may be submitted, and methods of communication with the company (telephone and fax numbers, e-mail addresses and other details).
3. A company creditor, if its claims arose prior to the publication of a notice of the reduction of the company's authorised capital, shall have the right to demand, within no more than 30 days from the date of the last publication of such notice, that the company discharge its obligation ahead of time and, if such early discharge of the obligation is impossible, that it terminate the obligation and compensate for the associated losses. The limitation period for filing the given claim in court shall be six months from the day of the last publication of a notice of reduction of the company's authorised capital.

4. The court shall have the right to refuse satisfaction of the claim specified in Clause 3 of this article if the company proves that:

1) The reduction of its authorised capital does not infringe upon creditors' rights;

2) The security provided for the proper fulfilment of the respective obligation is sufficient.

**Article 31. Rights of shareholders owning ordinary shares of a company**

1. Each ordinary share of a company shall grant its holder the same scope of rights.

2. Shareholders owning ordinary shares of a company may take part in the general meeting of shareholders in accordance with this Federal Law and company's charter and vote on all issues falling within its competence and shall have the right to receive dividends and, in the event of the liquidation of the company, the right to receive a part of its assets.

3. Conversion of ordinary shares into preferred shares, bonds, and other securities is not permitted.

(Claude 3 introduced by Federal Law No. 120-FZ, dated 7 August 2001)

**Article 32. Rights of shareholders owning preferred shares of a company**

1. Shareholders owning preferred shares of the company are not entitled to vote at the general meeting of shareholders, unless otherwise established by this Federal Law.

(As amended by Federal Law No. 120-FZ, dated 7 August 2001)


*ConsultantPlus: note.*

The requirements of Clause 2, Article 32 shall not apply to preferred shares of credit institutions acquired in the cases established by law.

2. A company's charter shall specify the amount of the dividend and/or the value payable in the event of the company's liquidation (the liquidation value) for the preferred shares of each type. The amount of the dividend and the liquidation value shall be determined as a fixed amount of money or as a percentage of the par value of preferred shares. The amount of the dividend and the liquidation value under preferred shares shall also be considered determined if the company charter establishes the procedure for their determination. The owners of preferred shares under which the amount of the dividend has not been determined shall be entitled to receive dividends on an equal basis with the owners of ordinary shares.

If the company's charter provides for preferred shares of two or more types, for each of which the amount of the dividend has been determined, the company charter shall also establish the order of dividend payment under each of them, and if the company's charter provides for preferred shares of two or more types, for each of which the liquidation value has been determined, the charter shall establish the order of payment of the liquidation value under each of them.

(As amended by Federal Law No. 120-FZ, dated 7 August 2001)

A company's charter may establish that the unpaid or partially unpaid dividend on preferred shares of a certain type, the amount of which is determined by the charter, shall be accumulated and
paid before the deadline determined by the charter (cumulative preferred shares). If the company charter does not establish such a deadline, preferred shares shall not be considered cumulative. (as amended by Federal Law No. 120-FZ, dated 7 August 2001)


ConsultantPlus: note.
The requirements of Clause 3, Article 32 shall not apply to preferred shares that are subject to alienation in accordance with Part 11 of Federal Law No. 451-FZ, dated 29 December 2014, for the purpose of their conversion into ordinary shares.

3. A company's charter may provide for the conversion of preferred shares of a certain type into ordinary shares or preferred shares of other types at the request of the shareholders that own them or the conversion of all shares of this type at the time established in the company charter. In this case the company charter, prior to the state registration of the issue of convertible preferred shares, shall determine the procedure for their conversion, including the quantity and category (type) of shares they are to be converted into, and other conversion conditions. No alteration of the said provisions of the company’s charter after the first convertible preferred share of the corresponding issue has been placed shall be permitted. (as amended by Federal Law No. 282-FZ, dated 29 December 2012)

Conversion of preferred shares into bonds and other securities other than shares shall not be permitted. Conversion of preferred shares into ordinary shares and preferred shares of other types shall be allowed only when it is provided for by the company’s charter and upon reorganisation of the company in accordance with this Federal Law. (Clause 3 introduced by Federal Law No. 120-FZ, dated 7 August 2001)

4. Shareholders owning preferred shares may take part in the general meeting of shareholders and are entitled to vote on matters of company reorganisation and liquidation as well as on the matters stipulated in Clause 3 of Article 7.2 and Article 92.1 hereof. (as amended by Federal Laws No. 264-FZ, dated 4 October 2010; No. 210-FZ, dated 29 June 2015)

Shareholders owning preferred shares of a certain type shall acquire the right to vote at the general meeting of shareholders on matters of introducing amendments and supplements to the company’s charter which limit the rights of shareholders owning preferred shares of this type, including cases of determining or increasing the amount of the dividend and/or determining or increasing the liquidation value to be paid on the preferred shares of the previous rank, as well as providing the shareholders owning preferred shares of another type advantages in the order of payment of the dividend and/or liquidation value of shares. The decision to introduce such amendments and supplements shall be deemed made if it has received at least a three-fourths majority of the votes of the shareholders owning voting shares who take part in the general meeting of shareholders, except for the votes of shareholders owning preferred shares the rights under which are limited, and at least a three-fourths majority of the votes of all shareholders owning preferred shares of each type the rights under which are limited, unless a greater number of shareholders' votes is established by the company charter for making this decision. (Paragraph introduced by Federal Law No. 282-FZ, dated 29 December 2012) (Clause 4 as amended by Federal Law No. 120-FZ, dated 7 August 2001)
5. Shareholders owning preferred shares of a certain type the amount of dividend under which is determined in the company charter, except for shareholders owning cumulative preferred shares, may take part in the general meeting of shareholders and to vote on all matters falling within its competence, starting from the meeting following the annual general meeting of shareholders where a decision to pay dividends was not made, regardless of the causes thereof, or a decision on partial payment of dividends on preferred shares of this type was made. The right of shareholders owning preferred shares of this type to take part in the general meeting of shareholders shall terminate from the moment of the first payment of dividends on those shares in full. (as amended by Federal Law No. 120-FZ, dated 7 August 2001)

Shareholders owning cumulative preferred shares of a certain type shall be entitled to take part in the general meeting of shareholders and to vote on all matters falling within its competence starting from the meeting following the annual general meeting of shareholders where a decision to pay accumulated dividends on these shares in full was to be made, if such a decision was not made, or if a decision on partial payment of dividends was made. The right of shareholders owning cumulative preferred shares of a certain type to take part in the general meeting of shareholders shall cease to exist from the moment of payment of all accumulated dividends on those shares in full.


6. The charter of a non-public company may provide for one or several types of preferred shares which grant, apart from or instead of the rights stipulated by this article, the right to vote on all or some of the matters falling within the competence of the general meeting of shareholders, inter alia, upon the occurrence or termination of certain circumstances (performance of or failure to perform certain actions by the company or its shareholders, the expiration of a certain period, the making of or failure to make certain decisions by the general meeting of shareholders or other bodies of the company within a certain period of time, alienation of company's shares to third parties in breach of the provisions of the company charter on the preemptive right to acquire them or on obtaining the consent of the company's shareholders to their alienation, and other circumstances), the preemptive right to acquire shares of certain categories (types) placed by the company, and other additional rights. The provisions on preferred shares with the said rights may be provided for by the charter of a non-public company during its incorporation or may be introduced to or excluded from the charter by a decision made at the general meeting of shareholders unanimously by all shareholders. These provisions of the charter of a non-public company may be amended by a decision made at the general meeting of shareholders unanimously by all shareholders owning such preferred shares and by a three-fourths majority vote of shareholders owning other voting shares who take part in the general meeting of shareholders.

(Clause 6 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

Article 32.1. Shareholders' agreement

(introduced by Federal Law No. 115-FZ, dated 3 June 2009)

1. A shareholders' agreement is an agreement on the exercise of the rights certified with shares and/or on the special considerations of exercising rights to shares. Under a shareholders' agreement, its parties undertake to exercise the rights certified with shares and/or the rights to shares in a certain way and/or undertake to abstain from (waive) the exercise of the said rights. A shareholders' agreement may provide for the obligation of its parties to vote in a certain way at the general meeting of shareholders, to agree on a voting option with other shareholders, to acquire or alienate shares at a pre-determined price and/or upon the occurrence of certain circumstances, to abstain from the alienation of shares before certain circumstances occur, or to perform other actions associated with the management of the company or with the operation, reorganization, or liquidation of the company in a coordinated manner. (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

A shareholders' agreement shall be concluded in writing by executing a single document signed by the parties.
2. The subject matter of a shareholders' agreement shall not include the obligation of a party thereto to vote according to the instructions of the management bodies of the company for the shares of which this agreement was concluded.


4. A shareholders' agreement shall only be binding upon its parties. A contract concluded by a party to a shareholders' agreement in breach of the shareholders' agreement may be invalidated by a court upon the suit of a stakeholder of the shareholders' agreement only in the event it is proven that the other party to the agreement knew or should have known about the limitations stipulated by the shareholders' agreement.


4.1. A company's shareholders who enter into a shareholders' agreement shall notify the company on its conclusion within no more than 15 days from the day of its conclusion. By agreement of the parties to the shareholders' agreement, the notice to the company may be sent by one of its parties. In the case of failure to perform this obligation, the company's shareholders that are not parties to the shareholders' agreement shall have the right to demand compensation of losses inflicted on them.
(Clause 4.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

5. An entity that has acquired the right under a shareholders' agreement to determine the voting procedure at the general meeting of shareholders for the shares of a public company shall notify the public company of such acquisition if as a result of such acquisition this entity, whether on its own or together with its affiliate or affiliates, acquires the ability to dispose, directly or indirectly, of more than 5, 10, 15, 20, 25, 30, 50 or 75 per cent of the votes for the outstanding ordinary shares of the public company. This notice shall contain information on:
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

- The full commercial name of the public company;
- The name or corporate name of that entity;
- The date of conclusion and effective date of the shareholders' agreement, the dates decisions were made to introduce amendments to the shareholders' agreement and the effective dates of such amendments, or the expiry date of the shareholders' agreement;
- The effective period of the shareholders' agreement;
- The number of shares belonging to the entities that concluded the shareholders' agreement as of the date of its conclusion;
- The number of ordinary shares of the company which give the entity the right to use votes at the general meeting of shareholders as of the date of occurrence of the obligation to send such a notice;
- The date the obligation to send such a notice arose.
This notice shall be sent within five days after the respective obligation arose.

5.1. A public company shall disclose the information contained in the notices specified in this article in accordance with the procedure stipulated by Russian laws on securities.
(Clause 5.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

6. An entity obliged to send a notice in accordance with Clause 5 of this article and entities to which this entity in accordance with the shareholders' agreement is entitled to give binding instructions on the voting procedure at the general meeting of shareholders shall have the right to vote before the date the notice is sent only for shares whose quantity does not exceed the quantity that belonged to
that entity before it incurred the obligation to send such a notice. All shares belonging to that entity and to the said entities shall be taken into account in determining the quorum of the general meeting of shareholders.

7. A shareholders' agreement may provide for methods of securing the fulfilment of obligations arising out of the shareholders' agreement and civil penalties for the non-fulfilment or improper fulfilment of such obligations.

The rights of the parties to the shareholders' agreement which are based on that agreement, including the rights to demand reimbursement of losses inflicted by the breach of the agreement, recovery of fines (penalties), payment of compensation (a fixed monetary amount or an amount to be determined in accordance with the procedure established in the shareholders' agreement), or application of other penalties in connection with the breach of the shareholders' agreement, shall be subject to judicial protection.

**Article 32.2. Contributions to company assets which do not increase the company's authorised capital**

(introduced by Federal Law No. 339-FZ, dated 3 July 2016)

1. Based on an agreement with the company, shareholders shall have the right, for the purpose of financing and supporting the company’s activity, to make gratuitous contributions in cash or other form to the company’s assets at any time, which shall not increase the company's authorised capital and shall not change the par value of shares (the 'contributions to the company's assets').

The assets contributed by shareholders shall be of the types specified in Clause 1, Article 66.1 of the Civil Code of the Russian Federation.

The provisions of the Civil Code of the Russian Federation regarding gift agreements shall not apply to contracts on the basis of which contributions to the company's assets are made.

A contract on the basis of which a shareholder makes a contribution to the company's assets shall be preliminarily approved by a decision of the board of directors (supervisory board) of the company, except when contributions are made to the company's assets as provided for by Clause 3 of this article.

2. The charter of a non-public company may provide for the maximum value of contributions to the assets of a non-public company made by all or by certain shareholders of the non-public company and other limitations associated with contributions to the assets of the non-public company.

3. The charter of a non-public company may specify that the company's shareholders may be obligated by resolution of the general meeting of shareholders of the non-public company to make contributions to the company's assets and may also provide for the procedure, grounds, and conditions for the making of contributions to the company's assets.

If the charter of a non-public company provides for the possibility of imposing the obligation to make contributions on all shareholders of the non-public company, the resolution of the general meeting of shareholders on the imposition on the shareholders of the non-public company of the duty to make contributions to the assets of the non-public company shall be made unanimously by all of the company's shareholders.

The charter of a non-public company may specify that the obligation to make contributions to the assets of the non-public company may be imposed by resolution of the general meeting of shareholders only on shareholders owning shares of a certain category (type). In this case, the resolution of the general meeting of shareholders to impose on the shareholders the obligation to make contributions to the assets of the non-public company shall be made by a three-fourths majority of the votes of the shareholders who take part in the general meeting of shareholders, provided that this decision has been voted for by all shareholders owning shares of each category (type) on which the obligation to make a
contribution to the assets of the non-public company is being imposed.

Contributions to the assets of a non-public company based on the provisions of this clause shall be made in proportion to the percentage of shares belonging to the shareholder in the authorised capital of the non-public company, unless a different procedure for determining the amount of contributions to the assets of the non-public company has been provided for by the charter of the non-public company.

Contributions to the assets of a non-public company based on the provisions of this clause shall be made with cash funds, unless otherwise provided for by the charter of the non-public company or by a resolution of the general meeting of shareholders of the non-public company.

The obligation to make contributions to the assets of a non-public company shall be borne by the entities that are shareholders as of the date when such an obligation arises.

4. A lawsuit for the performance of the duty to make a contribution to the assets of a non-public company against an entity that evades performance of that obligation may be filed in court by the non-public company or a shareholder thereof.

**Article 33. Bonds and other issue-grade securities of a company**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. A company is entitled to place bonds and other issue-grade securities, as provided for by legal acts of the Russian Federation on securities.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

2. Bonds and other issue-grade securities shall be placed by a company by decision of the board of directors (supervisory board) of the company, unless otherwise provided for by the company’s charter.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

Placement of bonds convertible into shares and other issue-grade securities convertible into shares by a company shall be performed by resolution of the general meeting of shareholders or by decision of the board of directors (supervisory board) of the company, if in accordance with the company’s charter it has the right to make decisions on the placement of bonds convertible into shares and other issue-grade securities convertible into shares.

(Paragraph introduced by Federal Law No. 120-FZ, dated 7 August 2001)

The decision of the board of directors (supervisory board) of the company on the placement of bonds convertible into shares and other issue-grade securities convertible into shares by the company shall be made by the board of directors (supervisory board) of the company by all its members unanimously; votes of the withdrawn members of the board of directors (supervisory board) of the company shall not be taken into account.

(Paragraph introduced by Federal Law No. 194-FZ, dated 27 December 2005)

3. A company shall have the right to issue bonds after its authorised capital is paid up in full. Bonds may be redeemed in cash or with other assets, including shares placed by the company, in accordance with the decision on their issuance.

When making a decision to place bonds redeemable with the outstanding shares of the company, the rules stipulated by Paragraphs 2 and 3 of Clause 2 of this article shall not apply. The acquisition of shares as a result of the redemption of such bonds does not exempt the acquirer from the performance of its duties as established by federal laws.

(Clause 3 as amended by Federal Law No. 282-FZ, dated 29 December 2012)

4. A company shall not place bonds and other issue-grade securities convertible into company shares if the amount of company’s authorised shares of certain categories and types is less than the amount of shares of these categories and types the right to acquire which is granted under such securities.
Article 34. Payment for shares and other issue-grade securities of the company during their placement

1. Company shares distributed upon its incorporation shall be paid up in full within a year following the state registration of the company, unless a shorter period of time is established in the founders’ agreement.

At least 50 per cent of company shares distributed upon its incorporation shall be paid up within three months from the moment of its state registration.

A share belonging to a company founder shall not grant voting rights until it is paid up in full, unless otherwise established by the company charter.

In the event of incomplete payment of shares within the time established in Paragraph 1 of this clause, the ownership of shares whose offering price corresponds to the unpaid amount (the value of assets that have not been transferred as payment for shares) shall be transferred to the company. The founders’ agreement may provide for the recovery of a penalty (fine) for the failure to perform the obligation to pay for shares.

Shares whose ownership has been transferred to the company, do not grant voting rights, shall not be counted for the purpose of vote tallying, and no dividends shall accrue on them. In this case, within one year after their acquisition the company shall decide to reduce its authorised capital or, for the purposes of payment of the authorised capital based on a decision of the board of directors (supervisory board) of the company, to sell the acquired shares at a price not lower than their market value. If the market value of the shares is less than their par value, these shares shall be sold at a price not lower than their par value. If the shares are not sold by the company within one year after their acquisition, the company shall make a decision within reasonable time to reduce its authorised capital by way of redemption of such shares. If within the time specified in this article the company does not make a decision to reduce its authorised capital, the body in charge of the state registration of legal entities or other governmental bodies or local authorities which have been granted the right to file such suits under federal laws shall have the right to file a suit for the company's liquidation in court.

Additional publicly offered shares and other issue-grade securities of the company shall be placed subject to their full payment.

ConsultantPlus: note.
The rule on paying for issue-grade securities with cash only does not apply when banks issue subordinated bonds in the case established by law.

ConsultantPlus: note.
The law has established limitations on kinds of property accepted towards payment of company shares.

2. Payment for shares distributed among a company's founders during its incorporation and additional shares offered publicly may be made with cash, securities, other things or property rights, or with other rights that have monetary value. Payment of additional shares by way of offset of monetary claims is allowed in the event they are offered privately. The form of payment for company shares upon its incorporation shall be specified in the founders’ agreement, and for additional shares, it shall be specified in the decision on their offering. Other issue-grade securities may be paid up with cash funds only.
A company’s charter may set limitations on kinds of assets with which the company’s shares may be paid.

ConsultantPlus: note.
The monetary valuation of a non-cash contribution to the authorised capital of a business entity shall be carried out by an independent appraiser (Clause 2 of Article 66.2 of the Civil Code of the Russian Federation).

3. The monetary valuation of assets contributed as a payment for shares upon a company’s incorporation shall be carried out by agreement between the founders.

When paying for additional shares with non-cash assets, the monetary valuation of assets contributed as a payment for shares shall be carried out by the board of directors (supervisory board) of the company in accordance with Article 77 hereof.

When paying for shares with non-cash assets, an appraiser shall be engaged to determine the market value of such assets, unless otherwise established by federal law. The monetary value of assets measured by the company founders and the board of directors (supervisory board) of the company should not exceed the value measured by the appraiser.
(as amended by Federal Laws No. 29-FZ, dated 27 February 2003; No. 210-FZ, dated 29 June 2015)

Article 35. Funds and net assets of a company

1. A company shall create a reserve fund in the amount stipulated by the company’s charter, which shall be not less than 5 per cent of its authorised capital.
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

The reserve fund of the company shall be formed through mandatory annual allocations until it reaches the amount established by the company’s charter. The amount of the annual allocations shall be established by the company’s charter but shall not be less than 5 per cent of the net profit until the reserve fund reaches the amount established by the company’s charter.

The reserve fund of the company is intended to cover the company’s losses and for the redemption of its bonds and the repurchase of its shares in the absence of other funds.

The reserve fund shall not be used for other purposes.

2. A company’s charter may provide for the formation of a special company employees shareholding fund out of its net profit. This fund shall be spent only to purchase the company’s shares sold by the company’s shareholders for the purpose of their subsequent offering to its employees.

In the event of the sale on a paid basis of the shares acquired at the cost of the company employee shareholding fund to the company’s employees, the proceeds shall be allocated to build up the said fund.
(Paragraph introduced by Federal Law No. 120-FZ, dated 7 August 2001)

3. The net asset value of the company shall be determined based on the accounting data in accordance with the procedure established by the federal executive authority duly authorised by the Government of the Russian Federation and, in the cases established by federal law, by the Central Bank of the Russian Federation.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

For a credit institution, the equity (capital) value shall be calculated instead of the net asset value in accordance with the procedure established by the Central Bank of the Russian Federation.

A company shall provide any interested party with access to information on its net asset value determined in accordance with this article in the manner established in Clause 2 of Article 91 hereof.
Clause 3 as amended by Federal Law No. 228-FZ, dated 18 July 2011 (as amended on 30 November 2011))

4. If upon expiry of the second reporting year or each subsequent reporting year the net asset value of a company is less than its authorised capital, the board of directors (supervisory board) of the company, when preparing for the annual general meeting of shareholders, shall include a section about the state of its net assets in the annual report of the company.
(Clause 4 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

5. The section about the state of the company’s net assets shall contain:

1) Indicators characterising the trends of changes in the net asset value and in the authorised capital of the company for the last three complete reporting years or, if the company has existed for less than three years, for each complete reporting year;
(Subclause 1 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2) The results of analysis of the causes and factors which, in the opinion of the board of directors (supervisory board) of the company, caused the net asset value of the company to be less than its authorised capital;

3) A list of actions for bringing the net asset value of the company in line with its authorised capital.
(Clause 5 as amended by Federal Law No. 352-FZ, dated 27 December 2009)

ConsultantPlus: note.
See Clause 4 of Article 99 of the Civil Code of the Russian Federation regarding the possibility of increasing the net asset value of a company to the amount of its authorised capital.

6. If the net asset value of a company remains less than its authorised capital after the end of the reporting year following the second reporting year or each subsequent reporting year in the end of which the net asset value of the company turned out to be less than its authorised capital, including in the case described in Clause 7 hereof, the company shall make one of the following decisions within no more than six months following the end of the corresponding reporting year:
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1) To reduce the authorised capital of the company to the amount not exceeding its net asset value;

2) To wind up the company.
(Clause 6 as amended by Federal Law No. 352-FZ, dated 27 December 2009)

7. If the net asset value of the company is less than its authorised capital by more than 25% after the end of three, six, nine, or twelve months of the reporting year following the second reporting year or each subsequent reporting year in the end of which the net asset value of the company turned out to be less than its authorised capital, the company shall post a notice of reduction of its net asset value two times, once per month, in the media outlets where information on the state registration of legal entities is published.

8. The notice of the reduction of the company’s net asset value shall indicate the following:

1) The full and short name of the company and the company location;

2) The indicators characterising the trends of changes in the net asset value and in the authorised capital of the company for the last three complete reporting years or, if the company has existed for less than three years, for each complete reporting year;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)
3) The net asset value of the company after the end of three, six, nine, or twelve months of the reporting year following the second reporting year or each subsequent reporting year in the end of which the net asset value of the company was less than its authorised capital; (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

4) A description of the procedure and conditions for the filing of claims by company creditors, as provided for by Clause 9 of this article, with the address (location) of the permanent executive body of the company and additional addresses where such claims may be filed and methods of communication with the company (telephone and fax numbers, e-mail addresses and other details). (Clause 8 as amended by Federal Law No. 352-FZ, dated 27 December 2009)

9. A company creditor, if its claims arose prior to the publication of a notice of the reduction of the company's net asset value, shall have the right to demand, within no more than 30 days from the date of the last publication of such notice, that the company discharge its obligation ahead of time and, when such early discharge of the obligation is impossible, that it terminate the obligation and compensate for the associated losses. The limitation period for filing the claim in court shall be six months from the day of the last publication of the notice of reduction of the company's net asset value. (Clause 9 introduced by Federal Law No. 352-FZ, dated 27 December 2009)

10. The court shall have the right to refuse satisfaction of the claim indicated in Clause 9 of this article if the company proves that:

1) The reduction of its net asset value does not infringe upon creditors' rights;

2) The security provided for the proper fulfilment of the respective obligation is sufficient. (Clause 10 introduced by Federal Law No. 352-FZ, dated 27 December 2009)

11. If upon expiry of the second reporting year or each subsequent reporting year the net asset value of the company is less than the minimum amount of the authorised capital specified in Article 26 hereof, the company shall make a decision on its winding up within no more than six months after the end of the reporting year. (Clause 11 introduced by Federal Law No. 352-FZ, dated 27 December 2009; as amended by Federal Law No. 210-FZ, dated 29 June 2015)

12. If during the time periods established in Clauses 6, 7, and 11 of this article the company fails to perform the obligations set forth in those clauses, the creditors shall have the right to demand that the company discharge respective obligations ahead of time, or, when their early discharge is impossible, the creditors may demand termination of obligations and compensation of associated loss, and the body in charge of state registration of legal entities or other governmental bodies or local authorities entitled to file a suit under federal law shall file a suit for the company's liquidation in court. (Clause 12 introduced by Federal Law No. 352-FZ, dated 27 December 2009)

13. The rules established in Clauses 4–12 of this article shall not apply to credit institutions incorporated in the form of joint-stock companies. The procedure for adjusting the amount of the credit institution's authorised capital and its net asset value (equity (capital) value) is established in Paragraph 4.1 of Chapter IX of Federal Law No. 127-FZ, dated 26 October 2002, 'On Insolvency (Bankruptcy)'. (Clause 13 introduced by Federal Law No. 352-FZ, dated 27 December 2009; as amended by Federal Law No. 432-FZ, dated 22 December 2014)

Chapter IV. PLACEMENT OF SHARES AND OTHER ISSUE-GRAD SECGURITIES BY A COMPANY
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

Article 36. Offer price of company shares
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)
1. A company's shares shall be paid up upon its incorporation by its founders at a price not lower than the par value of these shares.

Additional publicly offered shares of the company shall be paid up at a price determined by, or in line with the procedure established by, the board of directors (supervisory board) of the company in accordance with Article 77 hereof; such price shall not be less than their par value. The offer price of additional publicly offered shares or the procedure for its determination shall be specified in the decision on increasing the authorised capital of the company by way of placing additional shares, unless the said decision specifies that such a price or the procedure for its determination will be established by the board of directors (supervisory board) of the company before the start of placement of additional shares.

(as amended by Federal Law No. 282-FZ, dated 29 December 2012)

2. The offer price of additional shares for entities exercising the preemptive right to acquire shares may be less than the offer price for other persons but no more than by 10 per cent.

(as amended by Federal Law No. 194-FZ, dated 27 December 2005)

The amount of remuneration of intermediaries taking part in the placement of publicly offered shares of the company shall not exceed 10 per cent of the offer price of shares.

Article 37. Conversion of issue-grade securities of a company into shares

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. The procedure for converting issue-grade securities of a company into shares shall be established by:

   The company charter, for conversion of preferred shares;

   The decision on the issue, for conversion of bonds and other issue-grade securities other than shares.

   Placement of company shares within the number of authorised shares necessary for the conversion of convertible shares and other issue-grade securities of the company placed by the company into authorised shares shall be carried out only by way of such conversion.

2. The terms and procedure for the conversion of shares and other issue-grade securities of the company upon its reorganisation shall be determined by the corresponding decisions and contracts in accordance with this Federal Law.

Article 38. Offer price of issue-grade securities

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. Publicly offered issue-grade securities of the company shall be paid up at a price determined by or in line with the procedure established by the board of directors (supervisory board) of the company in accordance with Article 77 hereof, except as otherwise stipulated by this Federal Law. Issue-grade securities convertible into publicly offered shares shall be paid up at a price not lower than the par value of shares into which such securities are converted.

(as amended by Federal Laws No. 282-FZ, dated 29 December 2012, and No. 218-FZ, dated 21 July 2014)

Bonds that are not convertible into company shares shall be paid up at a price determined by or in line with the procedure established by the sole executive body, unless the company’s charter reserves the resolution of this matter to the competence of the board of directors (supervisory board) of the company or the collective executive board of the company.

(Paragraph introduced by Federal Law No. 218-FZ, dated 21 July 2014)
2. The offer price of issue-grade securities convertible into shares for entities exercising the preemptive right to acquire such securities may be less than the offer price for other entities but no more than by 10 per cent.
(as amended by Federal Law No. 194-FZ, dated 27 December 2005)

The amount of remuneration of intermediaries taking part in the placement of publicly offered issue-grade securities shall not exceed 10 per cent of the offer price of these securities.

**Article 39. Methods of placement of a company’s shares and issue-grade securities by the company**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. A company shall have the right to place additional shares and other issue-grade securities by way of public offering and conversion. If the authorised capital of the company is increased at the cost of its assets, the company shall place additional shares by way of their distribution among shareholders.

2. A public company shall have the right to place its shares and issue-grade securities convertible into its shares by way of public or private offering. The charter of a public company and legal acts of the Russian Federation may limit the possibility of private offering of shares by public companies.

A non-public company shall not place shares and issue-grade securities convertible into its shares by way of public offering or otherwise offer them for acquisition to the general public.
(Clauses 2 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

ConsultantPlus: note.
The requirements of Clause 3, Article 39 on the adoption of decisions of the general meeting of shareholders with no less than a three-fourths majority of votes of the shareholders owning voting shares who take part in the general meeting of shareholders shall not apply to decisions on increasing the authorised capital of a bank by way of placing the preferred shares specified in Part 3 of Article 4 and Part 3 of Article 5 of Federal Law No. 173-FZ, dated 13 October 2008 (as amended on 21 July 2014), and in Part 1 of Article 3.2 of Federal Law No. 451-FZ, dated 29 December 2014. These decisions shall be made by a majority vote of the shareholders owning voting shares of the company who take part in the general meeting of shareholders.

3. Placement of shares (issue-grade securities of the company convertible into shares) by way of private offering shall be carried out only by resolution of the general meeting of shareholders on increasing the authorised capital of the company by way of placing additional shares (on placing issue-grade securities of the company convertible into shares), which shall be made by a three-fourths majority of the votes of the shareholders owning voting shares who take part in the general meeting of shareholders, unless a greater number of votes is required under the company’s charter for making such a decision.

Placement of preferred shares as per Clause 6 of Article 32 hereof by way of private offering shall be carried out only by resolution of the general meeting of shareholders on increasing the authorised capital of the company by way of placement of the said preferred shares made by all company shareholders unanimously.
(Paragraph introduced by Federal Law No. 210-FZ, dated 29 June 2015)

4. Placement of ordinary shares by way of a public offering that amounts to over 25 per cent of ordinary shares placed earlier shall be carried out only by resolution of the general meeting of shareholders made with a three-fourths majority vote of the shareholders owning voting shares who take part in the general meeting of shareholders, unless a greater number of votes is required under the company’s charter for making such a decision.

Placement by way of public offering of issue-grade securities convertible into shares which may be converted into ordinary shares that make up over 25 per cent of ordinary shares placed earlier shall be
carried out only by resolution of the general meeting of shareholders made with a three-fourths majority vote of the shareholders owning voting shares who take part in the general meeting of shareholders, unless a greater number of votes is required under the company’s charter for making such a decision.

5. Placement of a company’s shares and other issue-grade securities by the company shall be carried out in accordance with the legal acts of the Russian Federation.

ConsultantPlus: note.
The provisions of Article 40 shall not apply to bonds the decision on the issuance of which provides for the possibility of their conversion into ordinary shares of a credit institution (Federal Law No. 395-1, dated 2 December 1990).

ConsultantPlus: note.
The provisions of Article 40 on the preemptive right of shareholders to acquire issue-grade securities convertible into shares shall not apply to subordinated bonds, if the subordinated bond-secured loan agreement or the decision on the issuance of such subordinated bonds provides for the possibility of their conversion into ordinary shares of a bank (Federal Law No. 451-FZ, dated 29 December 2014).

Article 40. Securing shareholders’ rights during the placement of a company's shares and issue-grade securities convertible into shares

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

ConsultantPlus: note.
See Regulation No. 428-P approved by the Bank of Russia on 11 August 2014 regarding the procedure for granting a preemptive right to acquire securities placed by way of public offering.

1. A company's shareholders shall have a preemptive right to acquire additional shares and issue-grade securities convertible into shares placed by way of public offering in an amount proportional to the amount of shares of the respective category (type) belonging to them.

The shareholders of the company who voted against or did not take part in voting on the placement of shares and issue-grade securities convertible into shares by way of private offering shall have a preemptive right to acquire additional shares and issue-grade securities convertible into shares placed by way of private offering in an amount proportional to the amount of shares of the respective category (type) belonging to them. This right does not apply to the placement of shares and other issue-grade securities convertible into shares carried out by way of private offering only among shareholders, if the shareholders can acquire a whole number of placed shares or other issue-grade securities convertible into shares in proportion to the amount of shares of the respective category (type) belonging to them.

This clause does not apply to companies with a single shareholder. (Paragraph introduced by Federal Law No. 194-FZ, dated 27 December 2005)

2. If the decision that serves as the grounds for placing additional shares and issue-grade securities convertible into shares is made at the general meeting of shareholders of the company, the preemptive right shall belong to the persons who were company shareholders as of the date of identification (recording) of persons entitled to take part in such general meeting of shareholders, and if this decision is made by the board of directors (supervisory board) of the company, the preemptive right shall belong to the persons who were company shareholders on the tenth day after the day when the board of director (supervisory board) of the company made such a decision, unless a later date is established by that decision.
For the purpose of exercising the preemptive right to acquire the said securities, the company registrar shall draw up the list of persons holding such a preemptive right in accordance with the requirements established by the laws of the Russian Federation on securities for the drafting of a list of persons exercising rights under securities.

(Claude 2 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

**Article 41. Exercise of the preemptive right to acquire shares and issue-grade securities convertible into shares**

(as amended by Federal Law No. 194-FZ, dated 27 December 2005)

1. The entities that have a preemptive right to acquire additional shares and issue-grade securities convertible into shares shall be notified of the possibility for them to exercise the preemptive right, as provided for by Article 40 hereof, in accordance with the procedure established by this Federal Law for notification on the holding of the general meeting of shareholders.

The notice shall contain information on the amount of shares and issue-grade securities convertible into shares to be placed, the offer price of the said securities or the procedure for determining it (inter alia, when exercising the preemptive right to acquire securities), or an indication that such price or the procedure for determining it will be established by the board of directors (supervisory board) of the company before the start of placement of securities as well as information on the procedure for determining the amount of securities which may be acquired by each person holding a preemptive right to acquire them, on the procedure for these entities to submit applications for the acquisition of shares and issue-grade securities convertible into shares to the company, and on the time within which these applications must be delivered to the company (the 'effective period of the preemptive right').

(as amended by Federal Law No. 282-FZ, dated 29 December 2012)

2. The effective period of the preemptive right may not be less than 45 days from the moment when the notice was sent (delivered) or published, unless a different term is stipulated in this clause.

If the offer price or the procedure for determining it is not established by the decision that serves as the grounds for placement through public offering of additional shares or issue-grade securities convertible into shares, the effective period of the preemptive right may not be less than 20 days after the notice has been sent (delivered) or published, and if the information contained in such a notice is disclosed in compliance with the requirements of the Russian laws on securities, less than eight business days from the moment of its disclosure. In this case, the notice shall contain information on the term for paying up the securities, which shall not be less than five business days from the moment of disclosure of information on the offer price or the procedure for its determination.

(as amended by Federal Law No. 282-FZ, dated 29 December 2012)

If the offer price or the procedure for its determination is established by the decision that serves as the grounds for placement through public offering of additional shares or issue-grade securities convertible into shares by the joint-stock company, with their payment in cash funds, and the information contained in the notice is disclosed in compliance with the requirements of the Russian laws on securities, the effective period of the preemptive right shall not be less than twelve business days from the moment of disclosure of such information.

(as amended by Federal Law No. 338-FZ, dated 3 July 2016)

3. A person holding the preemptive right to acquire additional shares and issue-grade securities convertible into shares shall have the right to exercise their preemptive right in full or in part during the effective period thereof by way of submitting an application for the acquisition of securities to be placed and fulfilling the obligation to pay for them.

(Claude 3 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

3.1. An application for the acquisition of securities to be placed which is submitted by a person
holding the preemptive right specified in this article who is registered in the register of company's shareholders shall contain information that enables the identification of the person submitting it and the number of securities being acquired by that person.

This application shall be submitted by way of sending or delivering the document, in writing and with the signature of the person submitting the application, against signed acknowledgement to the company registrar or, when it is provided for by the rules under which the registrar conducts its register maintenance activity, also by way of sending the company registrar an electronic document signed with a qualified electronic signature. These rules may also provide for the possibility of signing such electronic document with a simple or non-qualified electronic signature. In this case, an electronic document signed with a simple or non-qualified electronic signature shall be considered equal to a document in hard copy signed with a hand-written signature.

An application for the acquisition of securities placed which has been sent or delivered to the company registrar shall be deemed submitted to the company on the day of its receipt by the company registrar.
(Cla use 3.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

3.2. A person holding the preemptive right specified in this article who is not registered in the register of company shareholders shall exercise such a preemptive right by way of giving a corresponding directive (instruction) to the entity that carries out the record-keeping of their rights to the company's shares. Such a directive (instruction) shall be given in compliance with the requirements of the Russian laws on securities and shall specify the number of securities being acquired. An application for the acquisition of securities to be placed shall be deemed submitted to the company on the day when the company registrar receives a notice stating the will of such a person from the nominal holder of shares registered in the register of company shareholders.
(Cla use 3.2 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

3.3. If the offer price or the procedure for its determination is not established by the decision that serves as the grounds for placing additional shares or issue-grade securities convertible into shares through public offering, the payment for such securities when exercising the preemptive right to acquire them shall be carried out within the time stated in the notice of the possibility to exercise the preemptive right for their acquisition.

If the decision that serves as the grounds for placing additional shares or issue-grade securities convertible into shares provides for payment with non-monetary assets, the persons exercising the preemptive right to acquire such securities shall be entitled to pay for them with cash funds at their sole discretion.
(Cla use 3.3 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

ConsultantPlus: note.
See Art. 26 of Federal Law ‘On the Securities Market’ (Resolution No. 19, dated 18 November 2003, of the Plenum of the Supreme Arbitration Court of the Russian Federation) regarding measures for the protection of the preemptive right of shareholders to acquire shares and issue-grade securities convertible into shares placed by way of private offering.

4. A company shall not offer additional shares and issue-grade securities convertible into shares to entities without the preemptive right to acquire them until the effective period of the preemptive right expires.

5. The charter of a non-public company or the shareholders' agreement to which all shareholders of a non-public company are parties may establish a procedure for exercising the preemptive right to acquire shares or issue-grade securities convertible into its shares placed by the non-public company which differs from the procedure established by this article. The respective provisions may be provided for by the charter of the non-public company upon its foundation or may be introduced to, amended, and/or removed from its charter by a decision made at the general meeting of shareholders by all of the company’s shareholders unanimously.
Article 42. Payment of dividends by a company

1. A company shall have the right to make a decision on the payment of (to declare) dividends on its outstanding shares based on the results of the first quarter, six months, or nine months of the reporting year and/or based on the results of the reporting year, unless otherwise established by this Federal Law. A decision to pay (declare) dividends based on the results of the first quarter, six months, or nine months of the reporting year may be made within three months after the respective period expires.

2. The source of dividend payment shall be the company's profit after tax (the net profit of the company). The net profit of a company shall be determined based on the data of the company's accounting (financial) statements. Dividends on preferred shares of certain types may also be paid at the cost of special funds of the company created for these purposes earlier.

3. A decision to pay (declare) dividends shall be made by the general meeting of shareholders. This decision shall specify the amount of dividends on shares of each category (type), the form of their payment, the procedure for paying dividends in non-monetary form, and the date as of which the persons entitled to receive dividends are determined. The decision with regard to the establishment of the date as of which the persons entitled to receive dividends are determined shall be made only upon the proposal of the board of directors (supervisory board) of the company.

4. The amount of dividends shall not exceed the amount recommended by the board of directors (supervisory board) of the company.

5. The date as of which the persons entitled to receive dividends are determined in accordance with the decision to pay (declare) dividends shall not be earlier than 10 days from the date of the decision to pay (declare) dividends or later than 20 days from the date of such a decision.

6. The term for payment of dividends to a nominal holder or to a trust manager that is a professional securities market participant that are registered in the register of shareholders shall not exceed 10 business days, and to other persons registered in the register of shareholders such term shall not exceed 25 business days from the date as of which the persons entitled to receive dividends are determined.

7. Dividends shall be paid to entities that owned shares of the corresponding category (type) or to
entities that exercised rights under those shares in accordance with federal laws as of the end of the operating day of the date as of which the persons entitled to receive dividends were determined in accordance with the decision to pay dividends.

(Claude 7 introduced by Federal Law No. 282-FZ, dated 29 December 2012)

8. Payment of dividends in monetary form shall be made as a non-cash payment by the company or, upon its orders, by the registrar maintaining the register of shareholders of such a company or by a credit institution.

Payment of dividends in monetary form to individuals whose rights to shares are recorded in the register of company shareholders shall be carried out by way of a funds transfer to their bank accounts, the details of which are in the possession of the company registrar, or, in the absence of bank account details, by way of a postal order, and to other entities whose rights to shares are recorded in the register of company shareholders, by way of a funds transfer to their bank accounts. The company’s obligation to pay dividends to such entities shall be deemed discharged from the date of acceptance of funds transferred by the federal postal service or from the date of receipt of the funds by the credit institution with which the bank account of the entity entitled to receive dividends is opened, or, if that entity is a credit institution, in its account.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Entities who are entitled to receive dividends and whose rights to shares are recorded by a nominal shareholder shall receive dividends in monetary form in accordance with the procedure established by the Russian laws on securities. A nominal holder to whom dividends have been transferred and who has failed to perform the obligation to transfer them as established by the Russian laws on securities for reasons beyond its control shall return such dividends to the company within 10 days following the expiry of one month from the expiry date of the dividend payment term.

(Claude 8 introduced by Federal Law No. 282-FZ, dated 29 December 2012)

9. An entity that has not received declared dividends because the company or the registrar does not have the accurate and necessary address or bank details or due to other delay by the creditor shall have the right to file a claim for payment of such dividends (unclaimed dividends) within three years from the date of the decision to pay them, unless a longer period for filing such a claim is established by the company’s charter. Should such a period be established in the company’s charter, it shall not exceed five years from the date of the decision to pay dividends. The time for filing a claim for payment of unclaimed dividends shall not be resumed if missed, except when the person entitled to receive dividends does not file the claim under the influence of violence or threats.

Upon the expiry of such a period, declared and unclaimed dividends shall be restored as part of the retained profit of the company, and the obligation to pay them shall be terminated.

(Claude 9 introduced by Federal Law No. 282-FZ, dated 29 December 2012)

Article 43. Limitations on dividend payment

1. A company shall not make a decision on payment of (declare) dividends on shares:

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

Until the authorised capital of the company has been paid up in full;

Until all shares that are to be repurchased in accordance with Article 76 hereof have been repurchased;

If as of the day of such a decision the company meets the criteria for insolvency (bankruptcy) in accordance with the Russian laws on insolvency (bankruptcy) or if the company meets the relevant criteria as a result of dividend payment;

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

If as of the day of such a decision the net asset value of the company is less than its authorised
capital, the reserve fund, and the excess of the liquidation value of outstanding preferred shares determined by the charter over the par value or becomes less as a result of such a decision; (as amended by Federal Law No. 120-FZ, dated 7 August 2001)

In other cases stipulated by federal laws. (Paragraph introduced by Federal Law No. 120-FZ, dated 7 August 2001)

2. A company shall not make a decision on the payment of (declare) dividends (including dividends based on the results of the first quarter, six months, or nine months of the reporting year) on ordinary shares and on preferred shares the amount of dividends on which has not been determined in the absence of a decision to pay the full amount of dividends (including accumulated dividends on cumulative preferred shares) on all types of preferred shares the amount of dividends on which (including dividends based on the results of the first quarter, six months, or nine months of the reporting year) is determined by the company’s charter. (as amended by Federal Laws No. 134-FZ, dated 31 October 2002; No. 210-FZ, dated 29 June 2015)

3. A company shall not make a decision on the payment of (declare) dividends on preferred shares of a certain type the amount of dividends on which is determined by the company’s charter in the absence of a decision to pay the full amount of dividends (including full payment of all accumulated dividends on cumulative preferred shares) on all types of preferred shares which have higher priority for receipt of dividends compared to the preferred shares of this type. (Clause 3 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

4. A company may not pay declared dividends on shares:

If as of the day of payment the company meets the criteria for insolvency (bankruptcy) in accordance with the Russian laws on insolvency (bankruptcy) or if it meets such criteria as a result of dividend payment;

If as of the day of payment the net asset value of the company is less than its authorised capital, the reserve fund, and the excess of the liquidation value of outstanding preferred shares determined by the charter over the par value or becomes less than the said amount as a result of dividend payment;

In other cases stipulated by federal laws.

Upon the termination of the circumstances specified in this clause, the company shall pay the declared dividends to shareholders. (Clause 4 introduced by Federal Law No. 120-FZ, dated 7 August 2001)


Chapter VI. THE REGISTER OF COMPANY SHAREHOLDERS

Article 44. The register of company shareholders

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

ConsultantPlus: note.

1. A company shall provide for the maintenance and safekeeping of the register of company shareholders in accordance with the legal acts of the Russian Federation from the moment of the state registration of the company. (Clause 1 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Article 46. Extract from the register of company shareholders

The holder of the register of company shareholders, upon request of a shareholder or a nominal holder of shares, shall verify their rights to shares by issuing an extract from the register of company shareholders, which is not a security.

ConsultantPlus: note.

The provisions of this Federal Law (as amended by Federal Law No. 210-FZ, dated 29 June 2015) on preparing for, convening, and holding the general meeting of securities holders do not apply to a general meeting the decision to convene (hold) which was made before 1 July 2016. Preparing for, convening, and holding such a general meeting shall be carried out in compliance with the provisions of Russian laws which were in effect as of the day of the decision to convene (hold) it.

Chapter VII. GENERAL MEETING OF SHAREHOLDERS

Article 47. General meeting of shareholders

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. The general meeting of shareholders is the supreme management body of a company.

A company is obliged to hold an annual general meeting of shareholders on an annual basis.

The annual general meeting of shareholders shall be held within the time established by the company’s charter, but not earlier than two months and not later than six months after the end of the reporting year. The annual general meeting of shareholders shall resolve matters related to the election of the board of directors (supervisory board) of the company and the audit commission (inspector) of the company, approval of the company auditor and the matters stipulated in Subclause 11, Clause 1 of Article 48 hereof and may also resolve other matters falling within the competence of the general meeting of shareholders. General meetings of shareholders other than annual ones are extraordinary.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. Additional requirements, apart from those stipulated by this Federal Law, for the procedure for preparing for, convening, and holding the general meeting of shareholders may be established by the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

3. In a company where all voting shares are held by one shareholder, decisions on the matters falling within the competence of the general meeting of shareholders shall be made solely by this shareholder and shall be documented in writing. The provisions of this chapter which govern the procedure and terms for preparing for, convening, and holding the general meeting of shareholders shall not apply, except for the provisions concerning the time period for holding the annual general meeting of shareholders.

Article 48. Competence of the general meeting of shareholders

1. The following matters fall within the competence of the general meeting of shareholders:

1) Introduction of amendments and supplements to the company’s charter or approval of a new version of the company’s charter;
2) Company reorganisation;

3) Liquidation of the company, appointment of a liquidation commission, and approval of interim and final liquidation balance sheets;

4) Determining the number of members of the board of directors (supervisory board) of the company, election of its members, and early termination of their powers;

5) Determining the quantity, par value, and category (type) of authorised shares and the rights granted by them;

6) Increase of the authorised capital of the company by way of increasing the par value of shares or by way of placing additional shares, unless the company’s charter in accordance with this Federal Law reserves the increase of the authorised capital of the company by way of placing additional shares to the competence of the board of directors (supervisory board) of the company;

7) Reduction of the authorised capital of the company through the reduction of the par value of shares, the acquisition of a part of shares by the company to reduce their total number, or the redemption of shares acquired or repurchased by the company;

8) Setting up an executive body of the company and early termination of its powers, unless the company charter reserves the resolution of these matters to the competence of the board of directors (supervisory board) of the company, as well as the cases stipulated by Clauses 6 and 7 of Article 69 hereof;

(as amended by Federal Law No. 115-FZ, dated 3 June 2009)

9) Election of members of the audit commission (inspector) of the company and early termination of their powers;

10) Approval of the company's auditor;

10.1) Payment (declaration) of dividends following the results of the first quarter, six months, or nine months of the reporting year;

11) Approval of the annual report and annual accounting (financial) statements of the company, unless the company charter reserves the resolution of these matters to the competence of the board of directors (supervisory board) of the company;
(Subclause 11 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

11.1) Allocation of profit (including payment (declaration) of dividends, except for payment (declaration) of dividends following the results of the first quarter, six months, or nine months of the reporting year) and loss of the company following the results of the reporting year;
(Subclause 11.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

12) Determining the procedure for holding the general meeting of shareholders;

13) Election of members of the tally commission and early termination of their powers;

14) Splitting and consolidation of shares;

15) Decision-making on the approval or subsequent approval of transactions in the cases stipulated by Article 83 hereof;
(as amended by Federal Law No. 343-FZ, dated 3 July 2016)

16) Decision-making on approval or subsequent approval of major transactions in the cases stipulated by Article 79 hereof;
17) Purchase of outstanding shares by the company in the cases stipulated by this Federal Law;

18) Decision-making on participation in financial and industrial groups, associations, and other groups of commercial entities;
(as amended by Federal Law No. 146-FZ, dated 27 July 2006)

19) Approval of internal documents regulating the activities of company bodies;

19.1) Decision-making on the submission of an application for the listing of company shares and/or issue-grade securities of the company convertible into company shares, unless the company charter reserves the resolution of this matter to the competence of the board of directors (supervisory board) of the company;
(Subclause 19.1 introduced by Federal Law No. 282-FZ, dated 29 December 2012)

19.2) Decision-making on the submission of an application for the delisting of company shares and/or issue-grade securities of the company convertible into its shares;
(Subclause 19.2 introduced by Federal Law No. 282-FZ, dated 29 December 2012)

20) Resolution of other matters stipulated by this Federal Law.
(Clause 1 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

Matters falling within the competence of the general meeting of shareholders shall not be transferred for resolution to the executive body of the company, unless otherwise provided for by this Federal Law.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. Matters falling within the competence of the general meeting of shareholders shall not be transferred for resolution to the board of directors (supervisory board) of the company, except for the matters provided for by this Federal Law.
(Clause 2 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

2.1. The charter of a non-public company may provide for the transfer of the matters reserved under this Federal Law to the competence of the general meeting of shareholders to the competence of the board of directors (supervisory board) of the company, except for the issues stipulated by Subclauses 1–5, 11.1, 16, and 19 of Clause 1 of this article. The provisions associated with such transfer may be provided for by the charter of the non-public company upon its foundation or may be introduced to, amended, and/or removed from its charter by a decision made at the general meeting of shareholders by all of the company's shareholders unanimously.
(Clause 2.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

3. The general meeting of shareholders of a public company shall not be entitled to consider and adopt resolutions on matters that do not fall within its competence under this Federal Law.
(Clause 3 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

4. The charter of a non-public company may reserve matters to the competence of the general meeting of shareholders that are not reserved to its competence under this Federal Law. The respective provisions may be provided for by the charter of the non-public company upon its foundation or may be introduced to, amended, and/or removed from its charter by a decision made at the general meeting of shareholders by all of the company's shareholders unanimously.
(Clause 4 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

Article 49. Resolution of the general meeting of shareholders

1. Except as otherwise established by federal laws, the right to vote at the general meeting of shareholders on items put to a vote is held by:
Shareholders owning ordinary shares of the company;

Shareholders owning preferred shares of the company, in the cases provided for by this Federal Law or by the charter of a non-public company.

(As amended by Federal Laws No. 120-FZ, dated 7 August 2001; No. 210-FZ, dated 29 June 2015)

A voting share of the company is an ordinary share or a preferred share that gives its owner the right to vote on an item put to a vote.

(As amended by Federal Law No. 120-FZ, dated 7 August 2001)

2. A resolution of the general meeting of shareholders on an item put to a vote shall be made by the majority vote of shareholders owning voting shares of the company who take part in the meeting, unless otherwise established by this Federal Law for making the decision.

(As amended by Federal Law No. 120-FZ, dated 7 August 2001)

Vote tallying at the general meeting of shareholders on an item put to a vote with respect to which voting rights are held by shareholders owning ordinary and preferred shares shall be carried out with respect to all voting shares together, unless otherwise established by this Federal Law or by the charter of a non-public company.

(As amended by Federal Laws No. 120-FZ, dated 7 August 2001; No. 210-FZ, dated 29 June 2015)

Only a separate (independent) decision may be made on each item put to a vote.

(Paragraph introduced by Federal Law No. 210-FZ, dated 29 June 2015)

3. A decision on the matters specified in Subclauses 2, 6, and 14–19 of Clause 1, Article 48 hereof shall be made by the general meeting of shareholders only upon the proposal of the board of directors (supervisory board) of the company, unless otherwise established by the company’s charter.

(As amended by Federal Law No. 120-FZ, dated 7 August 2001)

ConsultantPlus: note.
The requirement set forth in Clause 4 of Article 49 does not apply in the event of making of a decision on increasing the authorised capital of the bank by way of placing preferred shares in the cases established by law.

4. A decision on the issues specified in Subclauses 1–3, 5, 16, 17, and 19.2 of Clause 1, Article 48 hereof shall be made at the general meeting of shareholders with a three-fourths majority vote of shareholders owning voting shares who take part in the general meeting of shareholders, unless otherwise stipulated by this Federal Law.

(As amended by Federal Laws No. 120-FZ, dated 7 August 2001; No. 282-FZ, dated 29 December 2012; No. 210-FZ, dated 29 June 2015; No. 343-FZ, dated 3 July 2016)

4.1. A decision on the matter specified in Subclause 19.2 of Clause 1, Article 48 hereof shall come into force on the condition that the total number of shares for which requests for repurchase have been submitted does not exceed the number of shares which may be redeemed by the company subject to the limitation established by Clause 5 of Article 76 hereof.

(Clauses 4.1 introduced by Federal Law No. 282-FZ, dated 29 December 2012)

4.2. The decision on payment (declaration) of dividends on preferred shares of a certain type shall be made by the majority vote of shareholders owning voting shares of the company who take part in the meeting. Votes of shareholders owning preferred shares of this type which were cast for the voting options 'against' and 'abstained' shall not be taken into account when tallying votes and determining the quorum for the adoption of a decision on the said item.

(Clauses 4.2 introduced by Federal Law No. 379-FZ, dated 21 December 2013)

5. The procedure for making of decisions by the general meeting of shareholders on the procedure for holding the general meeting of shareholders shall be established by the company’s charter or by its internal documents approved by resolution of the general meeting of shareholders.
5.1. The charter of a non-public company may provide for a different number of votes of shareholders owning voting shares needed for the general meeting of shareholders to make a decision, which shall not be less than the number of votes established by this Federal Law for the making of such decisions by the general meeting. The respective provisions may be provided for by the charter of the non-public company upon its foundation or may be introduced to, amended, and/or removed from its charter by a decision made at the general meeting of shareholders by all of the company’s shareholders unanimously.

(Clause 5.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

ConsultantPlus: note.

See Article 181.5 of the Civil Code of the Russian Federation, Resolution No. 19, dated 18 November 2003, of the Plenum of the Supreme Arbitration Court of the Russian Federation regarding the nullity of a decision made by the meeting of shareholders on matters not included in the agenda of the meeting.

6. The general meeting of shareholders shall not be entitled to make decisions on matters not included in the agenda of the meeting, nor to change the agenda, except when all shareholders of the non-public company are present when making a decision on the matter not included in the agenda of the general meeting of shareholders of such a non-public company or when changing the agenda of the general meeting of shareholders of such a non-public company.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)


7. A shareholder is entitled to appeal a resolution of the general meeting of shareholders passed in breach of the requirements of this Federal Law, other laws and regulations of the Russian Federation, or the company’s charter in court, provided that the shareholder did not participate in the general meeting of shareholders or voted against the adoption of such a decision, and that the said decision infringes the shareholder's rights and/or lawful interests. The court, taking into account all circumstances of the case, may leave the appealed resolution in effect, provided that the vote of this shareholder could not have affected the voting results, the violations committed are not material, and the decision did not inflict any loss on this shareholder.

An application for the invalidation of a resolution of the general meeting of shareholders may be submitted to court within three months from the day when the shareholder learned or should have learned of the decision made or about the circumstances that constitute the grounds for its invalidation. The term for appealing a resolution of the general meeting of shareholders, as provided for by this clause, cannot be resumed if missed, except when the shareholder did not file that claim under the influence of violence or threats.

(Clause 7 as amended by Federal Law No. 205-FZ, dated 19 July 2009)

8. A decision on each of the matters specified in Subclauses 2, 6, 7, and 14 of Clause 1, Article 48 hereof may contain an indication of the time upon the expiry of which such a decision shall not be executed. This time period shall end as of the moment of:

State registration of one of the companies incorporated through reorganisation of the company by way of division, for a resolution of the general meeting of shareholders on company reorganisation by way of division;

Entry in the unified state register of legal entities of the record of the winding up of the acceded company, for a resolution of the general meeting of shareholders on company reorganisation by way of accession;

State registration of the legal entity incorporated through company reorganisation, for a resolution of the general meeting of shareholders on company reorganisation by way of merger, separation, or transformation;
State registration of the issue (additional issue) of securities, for a resolution of the general meeting of shareholders on increasing the authorised capital of the company by way of increasing the par value of shares or by placing additional shares, a resolution of the general meeting of shareholders on reducing the authorised capital of the company by way of reducing the par value of shares, or a resolution of the general meeting of shareholders on the splitting or consolidation of shares;

Acquisition of at least one share, for a resolution of the general meeting of shareholders on the reduction of the authorised capital of the company by way of acquisition by the company of a part of its own shares in order to reduce their total number or by way of redemption of shares acquired or repurchased by the company.

A resolution of the general meeting of shareholders on company reorganisation through separation may establish a period upon the expiry of which such a decision becomes unenforceable in respect of a newly incorporated company or newly incorporated companies whose state registration has not been performed during the said period. In this case, reorganisation of the company in the form of separation shall be deemed complete from the moment of state registration of the last of the companies incorporated by way of such reorganisation during the time established in this clause. (Clause 8 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

9. Invalidation of decisions of the general meeting of shareholders on the approval or subsequent approval of major transactions and on the approval or subsequent approval of interested-party transactions, in the event that such decisions are appealed separately from the appeal of the respective transactions of the company, will not invalidate such transactions. (Clause 9 introduced by Federal Law No. 205-FZ, dated 19 July 2009; as amended by Federal Law No. 343-FZ, dated 3 July 2016)

10. Decisions of the general meeting of shareholders on items not included in the agenda of the general meeting of shareholders (except when all company shareholders took part in the meeting) or made in breach of the competence of the general meeting of shareholders, in the absence of a quorum for holding the general meeting of shareholders, or without the majority vote of shareholders needed to make the decision shall be null and void regardless of whether they are appealed in court. (Clause 10 introduced by Federal Law No. 205-FZ, dated 19 July 2009)

11. When the general meeting of shareholders is held in the form of a meeting (the joint presence of shareholders for discussion of agenda items and adoption of decisions on the matters put to a vote), information and communication technology may be used to enable remote participation in the general meeting of shareholders, discussion of agenda items, and decision-making on the matters put to a vote without being present at the place where the general meeting of shareholders is held. (Clause 11 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

**Article 50. General meeting of shareholders in the form of absentee voting**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. A resolution of the general meeting of shareholders may be made without holding a meeting (the joint presence of shareholders for discussion of agenda items and adoption of decisions on the matters put to a vote) by means of absentee voting.

2. A general meeting of shareholders whose agenda includes items related to the election of the board of directors (supervisory board) of the company or the audit commission (inspector) of the company, approval of the company auditor, or the items stipulated by Subclause 11, Clause 1 of Article 48 hereof cannot be held in the form of absentee voting.

**Article 51. The right to participate in the general meeting of shareholders**

1. The list of persons entitled to participate in the general meeting of shareholders shall be drawn
up in compliance with the rules of the Russian laws on securities for drawing up the list of persons exercising rights under securities. If in respect to a company a special right for the participation of the Russian Federation or a constituent of the Russian Federation in the management of that company is exercised (a 'golden share'), this list shall also include representatives of the Russian Federation or of the constituent of the Russian Federation.

The date as of which persons entitled to participate in the general meeting of company shareholders are determined (recorded) shall not be earlier than 10 days from the date of the decision to hold the general meeting of shareholders or more than 25 days before the date of the general meeting of shareholders or, in the case stipulated by Clause 2 of Article 53 hereof, more than 55 days before the date of the general meeting of shareholders.

If the agenda of the general meeting of shareholders includes the matter of the company's reorganisation, the date as of which persons entitled to participate in such meeting are determined (recorded) shall not be set more than 35 days before the date of the general meeting of shareholders.

( Clause 1 as amended by Federal Law No. 210-FZ, dated 29 June 2015)


4. The list of persons entitled to participate in the general meeting of shareholders, except for information on the will expressed by such persons, shall be presented by the company for review upon request of the persons included in that list and holding at least 1 per cent of votes. Information that enables the identification of individuals included in this list, except for their last name, first name, and patronymic, shall be submitted only subject to their consent.

( Clause 4 as amended by Federal Law No. 210-FZ, dated 29 June 2015)


Article 52. Information on the holding of the general meeting of shareholders

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. Notice of a general meeting of shareholders shall be given no later than 20 days in advance, and notice of a general meeting of shareholders whose agenda includes the matter of the company's reorganisation shall be given no later than 30 days before the date of the meeting.

In the cases stipulated by Clauses 2 and 8 of Article 53 hereof, notice of the general meeting of shareholders shall be given no later than 50 days before the date of the meeting.

(Clause 1 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1.1. Within the time period specified in Clause 1 of this article, notice of the general meeting of shareholders shall be communicated to the persons entitled to participate in the general meeting of shareholders and registered in the register of company shareholders by way of sending registered letters or delivery against signed acknowledgement, unless other ways to deliver (publish) such a notice are provided for by the company’s charter.

(Clause 1.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

1.2. A company's charter may provide for one or several of the following ways to communicate the notice of the general meeting of shareholders to the persons entitled to participate in the general meeting of shareholders and registered in the register of company shareholders:

1) Sending an electronic message to the e-mail address of the corresponding persons specified in the register of company shareholders;

2) Sending a text message containing the procedure for viewing the notice of the general meeting
ConsultantPlus: note.
Notice of a general meeting of shareholders held in the form of a meeting, apart from the information stipulated in Clause 2 of this article, shall specify the starting time for registration of the persons participating in the general meeting (Order of the FFMS of Russia No. 12-6/pz-n dated 2 February 2012).

2. Notice of a general meeting of shareholders shall specify:

Full commercial name and location of the company;

The form of the general meeting of shareholders (meeting or absentee voting);

ConsultantPlus: note.
Starting 1 July 2016 Article 60 has been revised by Federal Law No. 210-FZ, dated 29 June 2015. The cases when completed ballots may be sent to the company are established by Clause 4 of the revised Article 60.

The date, place, and time of the general meeting of shareholders as well as, in the case when in accordance with Clause 3 of Article 60 hereof completed ballots may be sent to the company, the mailing address to which such completed ballots may be sent or, in the event that the general meeting of shareholders is held in the form of absentee voting, the closing date for receiving voting ballots and the mailing address to which such completed ballots shall be sent;

The date as of which the persons entitled to participate in the general meeting of shareholders are determined (recorded);
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The agenda of the general meeting of shareholders;

The procedure for acquainting oneself with the information (materials) that must be provided when preparing for the general meeting of shareholders and the address (addresses) where such information is available;

The e-mail address to which completed ballots may be sent and/or the website address where the electronic form of the ballots may be completed, if such ways of sending and/or completing the ballots are provided for by the company charter;
(Paragraph introduced by Federal Law No. 210-FZ, dated 29 June 2015)

Categories (types) of shares whose owners have the right to vote on all or some agenda items of the general meeting of shareholders.
(Paragraph introduced by Federal Law No. 210-FZ, dated 29 June 2015)

3. The information (materials) to be provided to persons entitled to participate in the general meeting of shareholders when preparing for the general meeting of shareholders shall include the annual report of the company and the report of the audit commission (inspector) of the company on the results of its audit, the annual accounting (financial) statements, the auditor’s report, and the report of
the audit commission (inspector) of the company on the results of the audit of such statements, information about the candidate (candidates) to the executive bodies of the company, the board of directors (supervisory board) of the company, the audit commission (auditors) of the company, and the tally commission of the company, draft amendments and supplements to be introduced to the company charter or a draft of a new version of the company charter, draft internal documents of the company, draft decisions of the general meeting of shareholders, information about shareholders' agreements concluded during the year before the date of the general meeting of shareholders, as provided for by Article 32.1 hereof, opinions of the board of directors (supervisory board) of the company on a major transaction, a report on the interested-party transactions performed by the company in the reporting year, as well as the information (materials) stipulated by the company charter.

(as amended by Federal Laws No. 210-FZ, dated 29 June 2015; No. 343-FZ, dated 3 July 2016)

A list of additional information (materials) which must be provided to the persons entitled to participate in the general meeting of shareholders when preparing for the general meeting of shareholders may be established by the Bank of Russia.

(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The information (materials) stipulated by this article shall be made available for the persons entitled to participate in the general meeting of shareholders for review in the premises of the executive body of the company and in other places whose addresses are specified in the notice of the general meeting of shareholders within 20 days or, when the agenda of the general meeting of shareholders includes the matter of the company's reorganisation, within 30 days before the general meeting of shareholders, and when this is provided for by the company charter or by the internal document of the company governing the procedure for preparing for and holding the general meeting of shareholders, such information (materials) shall also be posted on the company website. Such information (materials) shall be made available for the persons participating in the general meeting of shareholders during such a meeting.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

At the request of a person entitled to participate in the general meeting of shareholders, the company shall provide copies of the said documents to such a person. The fee charged by the company for providing these copies shall not exceed the cost of their production.

4. If a person registered in the register of company shareholders is a nominal holder of shares, the notice of the general meeting of shareholders and the information (materials) to be provided to the persons entitled to participate in the general meeting of shareholders when preparing for the general meeting of shareholders shall be provided in compliance with the rules of the Russian laws on securities for the provision of information and materials to entities exercising rights under securities.

(Clause 4 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

**Article 53. Proposals for the agenda of the general meeting of shareholders**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. Shareholders (a shareholder) owning a total of no less than 2 per cent of a company's voting shares shall have the right to introduce items to the agenda of the annual general meeting of shareholders and to nominate candidates to the board of directors (supervisory board) of the company, the collective executive body, the audit commission (inspector), and the tally commission of the company, the number of which shall not exceed the size of the respective body, as well as a candidate to the position of the sole executive body. Such proposals shall be delivered to the company no later than 30 days after the end of the reporting period, unless a longer time period is established by the company’s charter.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. If the proposed agenda of an extraordinary general meeting of shareholders includes the election of members of the board of directors (supervisory board) of the company, shareholders or a
shareholder owning a total of no less than 2 per cent of the company's voting shares shall have the right to nominate candidates for election to the board of directors (supervisory board) of the company, the number of which shall not exceed the size of the board of directors (supervisory board) of the company.

If the proposed agenda of the extraordinary general meeting of shareholders includes the establishment of the sole executive body of the company and/or the early termination of powers of such a body in accordance with Clauses 6 and 7 of Article 69 hereof, shareholders or a shareholder owning a total of no less than 2 per cent of the company's voting shares shall have the right to nominate a candidate to the position of the sole executive body of the company.

The proposals specified in this clause shall be delivered to the company at least 30 days before the date of the extraordinary general meeting of shareholders, unless a later term is established by the company's charter.

(Clause 2 as amended by Federal Law No. 115-FZ, dated 3 June 2009)

3. A proposal to include items in the agenda of a general meeting of shareholders or a proposal to nominate candidates shall be submitted with the name of the shareholder(s) initiating such proposals and the quantity and category (type) of shares belonging to them and shall be signed by the shareholder(s) or their representatives. Shareholders (a shareholder) of the company who have not been registered in the register of company shareholders may also submit proposals to the agenda of the general meeting of shareholders and proposals on the nomination of candidates by giving the respective directives (instructions) to the entity that records their rights to shares. Such directives (instructions) shall be given in compliance with the rules of Russian laws on securities.

(Clause 3 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

4. A proposal to introduce items to the agenda of the general meeting of shareholders shall include the wording of each proposed item, and a proposal to nominate candidates shall include the name and details of the identification document (series and/or No. of the document, date and place of its issue, issuing body) of each proposed candidate, the name of the body such a candidate is proposed for election to, and other information about that person stipulated by the charter or internal documents of the company. A proposal to include items in the agenda of the general meeting of shareholders may contain the wording of the resolution on each proposed item.

(as amended by Federal Law No. 146-FZ, dated 27 July 2006)

5. The board of directors (supervisory board) of the company shall review the proposals and make a decision to include them in the agenda of the general meeting of shareholders or to deny their inclusion in the agenda within no more than five days after the time periods established in Clauses 1 and 2 of this article expire. An item proposed by shareholders (a shareholder) shall be included in the agenda of the general meeting of shareholders, and the nominated candidates shall be included in the list of candidates for voting in the election to the respective body of the company, except when:

The shareholders (shareholder) fail to comply with the time periods established in Clauses 1 and 2 of this article;

The shareholders (shareholder) do not own the quantity of the company's voting shares specified in Clauses 1 and 2 of this article;

The proposal does not comply with the requirements established in Clauses 3 and 4 of this article;

The item proposed for inclusion in the agenda of the general meeting of shareholders does not fall within its competence and/or does not comply with the requirements of this Federal Law and other laws and regulations of the Russian Federation.

6. A substantiated decision of the board of directors (supervisory board) of the company to deny the inclusion of the said item in the agenda of the general meeting of shareholders or the inclusion of a candidate in the list of candidates for voting in the election to the respective body of the company shall be sent to the shareholders (shareholder) who proposed the item or nominated the candidate within no
more than three days from the date of its adoption. If these proposals were received by the company from persons who are not registered in the register of company shareholders and have given a directive (instruction) to the entity recording their rights to the shares, the said decision of the board of directors (supervisory board) of the company shall be sent to such persons within no more than three days from the date of its adoption in accordance with the rules of the Russian laws on securities for the provision of information and materials to the persons exercising rights under securities.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

If the board of directors (supervisory board) of the company makes a decision to deny the inclusion of a proposed item in the agenda of the general meeting of shareholders or the inclusion of a candidate in the list of candidates for voting in the election to the respective body of the company, or if the board of directors (supervisory board) of the company avoids making such a decision, the shareholder shall have the right to file a claim in court to compel the company to include the proposed item in the agenda of the general meeting of shareholders or to include the candidate in the list of candidates for voting in the election to the respective body of the company.  

(as amended by Federal Law No. 205-FZ, dated 19 July 2009)

7. The board of directors (supervisory board) of the company shall not amend the wording of the items proposed for inclusion in the agenda of the general meeting of shareholders or the wording of the resolutions on such items.

Apart from the items proposed for inclusion in the agenda of the general meeting of shareholders and in the absence of such proposals or the absence or insufficiency of candidates nominated by the shareholders for the formation of the respective body, the board of directors (supervisory board) of the company shall have the right to include items in the agenda of the general meeting of shareholders or to include candidates in the list of candidates at their sole discretion.

8. If the proposed agenda of the general meeting of shareholders includes an item on the company's reorganisation through merger, separation, or division and an item on the election of the board of directors (supervisory board) of the company to be incorporated by way of reorganisation through merger, separation, or division, a shareholder or shareholders owning a total of no less than 2 per cent of voting shares of the company to be reorganised shall have the right to nominate candidates to the board of directors (supervisory board) of the newly incorporated company, its collective executive body, or its audit commission, or a candidate to the position of inspector, the number of which may not exceed the size of the respective body, as specified in the notice of the general meeting of shareholders of the company in accordance with the draft charter of the newly incorporated company, and to nominate a candidate to the position of the sole executive body of the newly incorporated company.

If the proposed agenda of the general meeting of shareholders includes an item on the company's reorganisation through merger, a shareholder(s) owning a total of no less than 2 per cent of voting shares of the reorganised company shall have the right to nominate candidates for election to the board of directors (supervisory board) of the company incorporated by way of reorganisation through merger, the number of which shall not exceed the number of members elected by the respective company to the board of directors (supervisory board) of the newly incorporated company, as indicated in the notice of the general meeting of shareholders of the company in accordance with the merger agreement.

The proposals to nominate candidates shall be received by the company to be reorganised no later than 45 days before the day of the general meeting of shareholders of the company to be reorganised.

A decision to include persons nominated by the shareholders or by the board of directors (supervisory board) of the company to be reorganised as candidates in the list of members of the collective executive body or the audit commission or a decision to approve the inspector and to approve the person performing the functions of the sole executive body of each company incorporated by way of reorganisation through merger, division, or separation shall be made with a three-fourths majority vote of the members of the board of directors (supervisory board) of the company to be reorganised.
votes of the withdrawn members of the board of directors (supervisory board) of that company shall not be counted.

(Clause 8 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

**Article 54. Preparing for the general meeting of shareholders**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

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**ConsultantPlus: note.**

The following shall be also determined when preparing for the general meeting of shareholders: the starting time for registration of participants and the types of preferred shares granting the right to vote on agenda items (Order of the FFMS of Russia No. 12-6/pz-n, dated 2 February 2012).

1. When preparing for the general meeting of shareholders, the board of directors (supervisory board) of the company shall determine:

1) The form of the general meeting of shareholders (meeting or absentee voting);

2) The date, place, and time of the general meeting of shareholders or, if the general meeting of shareholders is held in the form of absentee voting, the closing date for receiving voting ballots;

3) The mailing address to which completed ballots may be sent, if in accordance with Article 60 hereof voting is carried out with ballots, and if such possibility is provided for by the company charter, also the e-mail address to which completed ballots may be sent and/or the website address where ballots in electronic form may be completed;

4) The date as of which the persons entitled to participate in the general meeting of shareholders are determined (recorded);

5) The closing date for receiving proposals of the shareholders on the nomination of candidates for election to the board of directors (supervisory board) of the company, if the agenda of the extraordinary the general meeting of shareholders includes an item on the election of members to the board of directors (supervisory board) of the company;

6) The agenda of the general meeting of shareholders;

7) The procedure for notifying the shareholders of the general meeting of shareholders;

8) A list of information (materials) to be provided to the shareholders when preparing for the general meeting of shareholders and the procedure for its provision;

9) The form and text of the voting ballot, in the event of voting with ballots, and the wording of the decisions on the agenda items of the general meeting of shareholders which shall be sent in electronic form (in the form of electronic documents) to the nominal holders of shares registered in the register of company shareholders.

(Clause 1 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. The agenda of the annual general meeting of shareholders must include items on the election of the board of directors (supervisory board) of the company and the audit commission (inspector) of the company and approval of the company auditor as well as the items stipulated by Subclause 11, Clause 1 of Article 48 hereof.

**Article 55. Extraordinary general meeting of shareholders**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)
1. An extraordinary general meeting of shareholders shall be held by decision of the board of directors (supervisory board) of the company based on their own initiative or at the request of the audit commission (inspector) of the company, the company auditor, or shareholder(s) owning no less than 10 per cent of company's voting shares as of the date of submission of the request.

An extraordinary general meeting of shareholders held at the request of the audit commission (inspector) of the company, the company auditor, or shareholder(s) owning no less than 10 per cent of company's voting shares shall be convened by the board of directors (supervisory board) of the company. If the functions of the board of directors (supervisory board) of the company are performed by the general meeting of shareholders, an extraordinary general meeting of shareholders held at the request of the said persons shall be convened by the person or body of the company to whose competence the resolution of the matter of holding the general meeting of shareholders and approving its agenda is reserved by the company's charter.

(as amended by Federal Law No. 220-FZ, dated 24 July 2007)

2. An extraordinary general meeting of shareholders convened at the request of the audit commission (inspector) of the company, the company auditor, or shareholder(s) owning no less than 10 per cent of company's voting shares shall be held within 40 days after the request for the holding of an extraordinary general meeting of shareholders was submitted.


If the proposed agenda of the extraordinary general meeting of shareholders includes an item on the election of members to the board of directors (supervisory board) of the company, such general meeting of shareholders shall be held within 75 days from the date when the request to hold the extraordinary general meeting of shareholders was submitted, unless a shorter period is established by the company charter. In this case, the board of directors (supervisory board) of the company shall determine the closing date for receiving the proposals of the shareholders on the nomination of candidates for election to the board of directors (supervisory board) of the company.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

3. In the cases when in accordance with Articles 68–70 hereof the board of directors (supervisory board) of the company must make a decision to hold an extraordinary general meeting of shareholders, such general meeting of shareholders shall be held within 40 days from the moment when the decision to hold it was made by the board of directors (supervisory board) of the company, unless a shorter period is established by the company’s charter.

In the cases when in accordance with this Federal Law the board of directors (supervisory board) of the company must make a decision to hold an extraordinary general meeting of shareholders for the election of members to the board of directors (supervisory board) of the company, such general meeting of shareholders shall be held within 70 days from the moment when the decision to hold it was made by the board of directors (supervisory board) of the company, unless a shorter period is established by the company’s charter.


4. A request to hold an extraordinary general meeting of shareholders shall give the wording of the items to be included in the agenda of the meeting. A request to hold an extraordinary general meeting of shareholders may contain the wording of the resolutions on each of these items and a proposal regarding the form of the general meeting of shareholders. If a request to convene an extraordinary general meeting of shareholders contains a proposal to nominate candidates, the respective provisions of Article 53 hereof shall apply to such proposal.

The board of directors (supervisory board) of the company shall not change the wording of the agenda items, the wording of the resolutions on such items or change the suggested form of an extraordinary general meeting of shareholders convened at the request of the audit commission (inspector) of the company, the company auditor, or shareholder(s) owning no less than 10 per cent of company’s voting shares.
5. If the request to convene an extraordinary general meeting of shareholders is submitted by shareholder(s), it shall contain the names of the shareholder(s) requesting the convening of such a meeting and shall specify the quantity and category (type) of shares belonging to them.

A request to convene an extraordinary general meeting of shareholders shall be signed by the person(s) requesting the convening of the extraordinary general meeting of shareholders.

6. Within five days after a request for the convening of an extraordinary general meeting of shareholders has been submitted by the audit commission (inspector), the company auditor, or shareholder(s) owning no less than 10 per cent of company's voting shares, the board of directors (supervisory board) of the company shall make a decision to convene an extraordinary general meeting of shareholders or to deny its convening.

A decision to deny the convening of an extraordinary general meeting of shareholders at the request of the audit commission (inspector) of the company, the company auditor, or shareholder(s) owning no less than 10 per cent of company's voting shares may be made in the following cases:

Upon failure to comply with the procedure for submitting a request to convene an extraordinary general meeting of shareholders established by this article and/or by Clause 1 of Article 84.3 hereof;
(as amended by Federal Law No. 220-FZ, dated 24 July 2007)

The shareholder(s) requesting the convening of an extraordinary general meeting of shareholders does not own the quantity of the company's voting shares required by Clause 1 of this article;

None of the items proposed for inclusion in the agenda of the extraordinary general meeting of shareholders fall within its competence and/or comply with the requirements of this Federal Law and other laws and regulations of the Russian Federation.

7. The decision of the board of directors (supervisory board) of a company on the convening of an extraordinary general meeting of shareholders or a substantiated decision to refuse to convene it shall be sent to the persons requesting its convening within no more than three days from the day when such decision is made. If the request to hold an extraordinary general meeting of shareholders is received by the company from persons who are not registered in the register of company shareholders and who gave a directive (instruction) to the entity recording their rights to the shares, the said decision of the board of directors (supervisory board) of the company shall be sent to such persons within no more than three days from the day of its approval in accordance with the rules of Russian laws for the provision of information and materials to persons exercising rights under securities.
(Clause 7 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

8. If the board of directors (supervisory board) of the company has not made a decision to convene the extraordinary general meeting of shareholders within the time established by this Federal Law or has made a decision to refuse to convene it, the body of the company or persons requesting its convening shall have the right to file a suit in court to compel the company to hold an extraordinary general meeting of shareholders.
(Clause 8 as amended by Federal Law No. 205-FZ, dated 19 July 2009)

9. A court ruling to compel a company to hold an extraordinary general meeting of shareholders shall specify the time and procedure for its convening. The execution of the court ruling shall be assigned to the claimant or, upon its request, to the company body or to another person subject to their consent. That body shall not be the board of directors (supervisory board) of the company. The company body or the person holding the extraordinary general meeting of shareholders in accordance with the court ruling shall have all powers stipulated by this Federal Law as may be necessary to convene and hold this meeting. If in accordance with the court ruling the extraordinary general meeting of shareholders is to be held by the claimant, the expenses for preparing for and holding this meeting may be compensated by a resolution of the general meeting of shareholders at the company's cost.
(Clause 9 introduced by Federal Law No. 205-FZ, dated 19 July 2009)
10. In a company where in accordance with this Federal Law the functions of the board of directors (supervisory board) of the company are performed by the general meeting of shareholders, the rules stipulated by Clauses 7–9 of this article shall apply to the person or company body, as determined by the company charter, whose competence includes the resolution of the matter of holding the general meeting of shareholders and approving its agenda. The rules stipulated by Clauses 7–9 of this article shall also apply to the annual general meeting of shareholders, if it has not been convened and held within the time established by Clause 1 of Article 47 hereof.

(Clause 10 introduced by Federal Law No. 205-FZ, dated 19 July 2009)

**Article 56. Tally commission**

ConsultantPlus: note.
See Subclauses 1 and 2 of Clause 3, Article 67.1 of the Civil Code of the Russian Federation regarding the confirmation of the decisions made by the general meeting of shareholders of a joint-stock company and the scope of company members present at the meeting.

1. In a company with more than one hundred shareholders holding the company’s voting shares, a tally commission shall be set up. The size and membership of the tally commission shall be approved by the general meeting of shareholders.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

In a company with more than five hundred shareholders holding voting shares, the functions of the tally commission shall be performed by the registrar.

(Paragraph introduced by Federal Law No. 120-FZ, dated 7 August 2001; as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. The tally commission shall consist of no less than three persons. The tally commission shall not include members of the board of directors (supervisory board) of the company, members of the audit commission (inspector) of the company, members of the collective executive body of the company, the sole executive body of the company, or the management company or the manager, nor may it include persons nominated as candidates to these positions.

3. If the term of the powers of the tally commission has expired or the number of its members has become less than three, as well as if fewer than three members of the tally commission have come to perform their duties, the registrar may be engaged to perform the functions of the tally commission.

(Clause 3 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

4. The tally commission shall verify the powers and register the persons who take part in the general meeting of shareholders, determine the quorum of the general meeting of shareholders, clear up matters arising in connection with the exercise of the right to vote at the general meeting of shareholders by shareholders (their representatives), clarify the procedure for voting on the items put to a vote, ensure the prescribed voting procedure and the shareholders’ rights to participate in voting, count the votes and sum up the voting results, draw up a record of the voting results, and transfer the voting ballots to the archive.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

**Article 57. Participation of shareholders in the general meeting of shareholders**

1. The right to participate in the general meeting of shareholders shall be exercised by a shareholder personally or through a representative.

A shareholder may replace its representative at the general meeting of shareholders or may take part in the general meeting of shareholders personally at any time.
A shareholder's representative at the general meeting of shareholders shall act in accordance with powers based on the instructions of federal laws or acts of the competent governmental bodies or local authorities or under a power of attorney executed in writing. A voting power of attorney shall contain the details of the principal and the representative (for an individual: full name, details of the identification document (series and/or No. of the document, date and place of its issue, issuing body), for a legal entity: name, location). The voting power of attorney shall be executed in compliance with the requirements of Clauses 3 and 4 of Article 185.1 of the Civil Code of the Russian Federation or shall be notarised.

(as amended by Federal Laws No. 146-FZ, dated 27 July 2006; No. 218-FZ, dated 21 July 2014)

2. If shares were transferred after the date as of which the list of persons entitled to participate in the general meeting of shareholders was drawn up and before the date of the general meeting of shareholders, the person included in this list must issue the acquirer of the shares a voting proxy or shall vote at the general meeting of shareholders in accordance with the instructions of the acquirer of the shares, if this is provided for by the share transfer agreement.

(as amended by Federal Laws No. 120-FZ, dated 7 August 2001; No. 282-FZ, dated 29 December 2012)

3. If a company share is jointly owned by several persons, the powers to vote at the general meeting of shareholders shall be exercised at their discretion by one of the joint owners or by their common representative. The powers of each of the said persons shall be duly legalised.

**Article 58. Quorum of the general meeting of shareholders**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. The general meeting of shareholders shall be competent (have a quorum) if shareholders owning in total more than half of the votes under the company's authorised voting shares have taken part in it.

Shareholders shall be deemed to have taken part in the general meeting of shareholders if they have registered for participation in the meeting, *inter alia*, on the website specified in the notice of the general meeting of shareholders, and their voting ballots have been received, or the electronic form of their ballots has been completed on the website specified in such notice no later than two days before the date of the general meeting of shareholders.

Shareholders shall be deemed to have taken part in the general meeting of shareholders if their ballots have been received or the electronic form of their ballots has been completed on the website specified in the notice of the general meeting of shareholders before the closing date for receiving the ballots.

Shareholders shall also be deemed to have taken part in the general meeting of shareholders if they have given voting instructions to the entities recording their rights to shares in accordance with the rules of Russian laws on securities, provided that the notices of their will have been received no later than two days before the date of the general meeting of shareholders or before the closing date for receiving the ballots, if the general meeting of shareholders is held in the form of absentee voting.

(Clause 1 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. If the agenda of the general meeting of shareholders includes items to be voted on by different groups of voters, the quorum for making a decision on these issues shall be determined separately. Furthermore, the absence of a quorum for making a decision on the items voted for by one group of voters shall not impede the making of a decision on items voted for by a different group of voters for which a quorum is present.

3. In the absence of a quorum for holding the annual general meeting of shareholders, a repeated general meeting of shareholders with the same agenda shall be held. In the absence of a quorum for holding an extraordinary general meeting of shareholders, a repeated general meeting of shareholders with the same agenda may be held.
The repeated general meeting of shareholders shall be competent (have a quorum) if shareholders owning a total of no less than 30 per cent of votes under company’s outstanding voting shares have taken part in it. The charter of a company with more than 500,000 shareholders may provide for a lower quorum for holding a repeated general meeting of shareholders.

The notice of the repeated general meeting of shareholders shall be given in accordance with the requirements of Article 52 hereof. The provisions of Paragraph 2, Clause 1 of Article 52 hereof shall not apply. The delivery, sending, and publication of voting ballots when holding the repeated general meeting of shareholders shall be carried out in compliance with the requirements of Article 60 hereof.

4. When the repeated general meeting of shareholders is held less than 40 days after the cancelled general meeting of shareholders, the persons entitled to participate in such general meeting of shareholders shall be determined (recorded) as of the date as of which the persons entitled to participate in the failed general meeting of shareholders were determined (recorded).

(Clause 4 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

5. In the absence of a quorum for holding the annual general meeting of shareholders based on a court ruling, a repeated general meeting of shareholders with the same agenda shall be held no later than in 60 days. In this case, no additional recourse to the court shall be required. A repeated general meeting of shareholders shall be convened and held by the person or company body specified in the court ruling, and if such a person or company body has not convened the annual general meeting of shareholders within the time established in the court ruling, the repeated general meeting of shareholders shall be convened and held by other persons or a company body that filed a lawsuit in court, provided that these persons or company body are specified in the court ruling.

In the absence of a quorum for holding an extraordinary general meeting of shareholders based on a court ruling, a repeated general meeting of shareholders shall not be held.

(Clause 5 introduced by Federal Law No. 205-FZ, dated 19 July 2009)

ConsultantPlus: note.

See Resolution No. 738, dated 3 December 2004, of the Government of the Russian Federation regarding the procedure for voting under shares of joint-stock companies held in federal ownership.

**Article 59. Voting at the general meeting of shareholders**

Voting at the general meeting of shareholders shall be carried out based on the principle 'one voting share of the company provides one vote', except for cumulative voting in the case stipulated by this Federal Law.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

**Article 60. Voting ballot**

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. Voting on agenda items of the general meeting of shareholders may be carried out using voting ballots.

Voting on agenda items of a general meeting of shareholders of a public company of a non-public company with 50 or more shareholders owning voting shares as well as voting on agenda items of a general meeting of shareholders held in the form of absentee voting shall be performed using voting ballots.

Receipt by the company registrar of notices of will from the persons that are entitled to participate in the general meeting of shareholders, are not registered in the register of company shareholders, and have given the entities recording their rights to shares voting directives (instructions) in accordance with the requirements of Russian laws on securities shall be equivalent to voting with
2. A voting ballot shall be delivered against signature to each person included in the list of persons entitled to participate in the general meeting of shareholders (or to their representative) that has registered for participation in the general meeting of shareholders, except as otherwise stipulated by this article.

When holding a general meeting of shareholders in the form of absentee voting or a general meeting of shareholders of a public company or a non-public company with 50 or more shareholders owning voting shares or of another company whose charter provides for mandatory sending or delivery of ballots before the general meeting of shareholders, the voting ballot shall be sent or delivered against signature to each person registered in the register of company shareholders and entitled to participate in the general meeting of shareholders no later than 20 days before the general meeting of shareholders.

In the case stipulated in Paragraph 2 of this clause, voting ballots shall be sent by registered mail, unless a different method for their sending, inter alia, as an electronic message to the e-mail address of the respective person specified in the register of company shareholders, is provided for by the company charter.

3. The charter of a company with more than 500,000 shareholders may provide for the publication of voting ballots in a print publication available to all company shareholders, determined by the company’s charter, within the time stipulated in Clause 2 of this article.

4. When holding a general meeting of shareholders, except for a general meeting of shareholders held in the form of absentee voting, in companies that send or deliver ballots in accordance with Clause 2 of this article or publish ballot forms in accordance with Clause 3 of this article, the persons included in the list of persons entitled to participate in the general meeting of shareholders or their representatives shall have the right to register for participation in such a meeting or to send duly completed ballots to the company. A company’s charter may provide for the completion of ballots in electronic form by a person entitled to participate in the general meeting of shareholders on the website specified in the notice of the general meeting of shareholders. Ballots in electronic form may be completed by shareholders on the website in the course of the general meeting of shareholders, unless they have exercised their right for participation in such a meeting in a different manner. When ballots in electronic form are completed on the website, the date and time of their completion shall be registered.

5. The voting ballot shall indicate:

   The full commercial name and location of the company;

   The form of the general meeting of shareholders (meeting or absentee voting);

   The date, place, and time of the general meeting of shareholders or, when the general meeting of shareholders is held in the form of absentee voting, the closing date for receiving voting ballots;

   The wording of the resolutions on each item (name of each candidate) which are to be voted on with the given ballot;

   Voting options on each agenda item expressed as 'for,' 'against,' or 'abstained' and an indication that the voting ballot must be signed by the person entitled to participate in the general meeting of shareholders or by their representative.

   In the event of cumulative voting, the voting ballot shall contain an indication of this and shall clarify the essence of cumulative voting.

**Article 61. Vote counting in voting with voting ballots**

When voting with voting ballots, the votes on the items where the voter has marked only one of
the possible voting options shall be counted. Voting ballots completed in breach of this requirement shall be considered invalid, and the votes on the items contained therein shall not be counted.

If the voting ballot contains several items put to a vote, a failure to comply with the said requirements with respect to one or several items shall not invalidate the entire voting ballot.

**Article 62. Record and report on the voting results**
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. After the voting, the tally commission will execute a record of the voting results, which shall be signed by the members of the tally commission or by the person performing its functions. The record of the voting results shall be executed within no more than three business days after the general meeting of shareholders is closed or after the closing date for receiving ballots when the general meeting of shareholders is held in the form of absentee voting.
(as amended by Federal Laws No. 120-FZ, dated 7 August 2001; No. 352-FZ, dated 27 December 2009)

2. After the execution of the record of the voting results and the signing of the minutes of the general meeting of shareholders, the voting ballots shall be sealed by the tally commission and placed in the company archive for safekeeping.

3. The record of the voting results shall be attached to the minutes of the general meeting of shareholders.

4. The decisions made by the general meeting of shareholders and the voting results may be announced at the general meeting of shareholders where the voting has taken place and shall also be communicated to the persons included in the list of persons entitled to participate in the general meeting of shareholders in the form of a report on the voting results, in accordance with the procedure established for notification on the general meeting of shareholders, within no more than four business days from the closing date of the general meeting of shareholders or the closing date for receiving ballots when the general meeting of shareholders is held in the form of absentee voting.

If as of the date of determination (recording) of persons entitled to participate in the general meeting of shareholders a nominal holder of shares was the person registered in the register of company shareholders, the information contained in the report on the voting results shall be provided to the nominal holder of shares in accordance with the rules of Russian laws on securities for providing information and materials to persons exercising rights under securities.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)
(Clauses 4 as amended by Federal Law No. 379-FZ, dated 21 December 2013)

**Article 63. Minutes of the general meeting of shareholders**

1. The minutes of the general meeting of shareholders shall be executed in two copies within no more than three business days after the general meeting of shareholders has been closed. Both copies shall be signed by the chairperson of the general meeting of shareholders and by the secretary of the general meeting of shareholders.
(as amended by Federal Law No. 352-FZ, dated 27 December 2009)

2. The minutes of the general meeting of shareholders shall indicate:

The place and time of the general meeting of shareholders;

The total number of votes held by shareholders owning the company’s voting shares;

The number of votes held by shareholders taking part in the meeting;

The chairperson (presidium) and secretary of the meeting and the agenda of the meeting.
The minutes of the general meeting of shareholders shall include the key points of speeches, the items put to a vote, the voting results, as well as resolutions adopted by the meeting.

Chapter VIII. BOARD OF DIRECTORS (SUPERVISORY BOARD) OF A COMPANY AND THE EXECUTIVE BODY OF A COMPANY

ConsultantPlus: note.
See Letter of the Bank of Russia No. IN-015-52/66, dated 15 September 2016, regarding the provisions on the board of directors and committees of the board of directors recommended by the Bank of Russia for use by public joint-stock companies.

Article 64. Board of directors (supervisory board) of a company

1. The board of directors (supervisory board) of a company shall perform the general management of the company's activities, except for resolving matters that fall within the competence of the general meeting of shareholders under this Federal Law.

(As amended by Federal Law No. 120-FZ, dated 7 August 2001)

ConsultantPlus: note.
A public joint-stock company is obliged to set up a collective management body (supervisory board) (Clause 3 of Article 97 of the Civil Code of the Russian Federation).

Where the number of shareholders owning voting shares is less than 50, the company’s charter may stipulate that the functions of the board of directors of the company (supervisory board) shall be performed by the general meeting of shareholders. In this case, the charter of the company shall indicate the person or body of the company to whose competence the matter of holding the general meeting of shareholders and approving its agenda shall be reserved.

2. By resolution of the general meeting of shareholders, the members of the board of directors (supervisory board) of the company, during the period of performance of their duties, may be paid a remuneration and/or may receive compensation for their expenses associated with their performance of the functions of members of the company's board of directors (supervisory board). The amounts of such remunerations and compensations shall be established by a resolution of the general meeting of shareholders.

Article 65. Competence of the board of directors (supervisory board) of a company

(As amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. The competence of the board of directors (supervisory board) of the company shall include the resolution of matters related to the general management of the company's activities, except for the matters that fall within the competence of the general meeting of shareholders under this Federal Law.

The following matters shall fall within the competence of the board of directors (supervisory board):

1) Determining the priority directions of the company’s business;

2) Convening the annual and the extraordinary general meetings of shareholders, except as otherwise provided for by Clause 8 of Article 55 hereof;

3) Approving the agenda of the general meeting of shareholders;

4) Determining the date of drawing up the list of persons entitled to participate in the general meeting of shareholders and other matters that fall within the competence of the board of directors (supervisory board) of the company in accordance with the provisions of Chapter VII hereof and are
associated with the preparation for and holding of the general meeting of shareholders;

5) Increasing the authorised capital of the company through the placement of additional shares by the company within the amount and categories (types) of authorised shares, if the company’s charter has reserved this to its competence in accordance with this Federal Law;

6) Placement by the company of additional shares into which preferred shares of a certain type convertible into shares which have been placed by the company or preferred shares of other type are converted, provided that such placement is not associated with the increase of the authorised capital of the company as well as the placement of bonds or other issue-grade securities by the company, except for shares;
(Subclause 6 as amended by Federal Law No. 282-FZ, dated 29 December 2012)

7) Determining the price (monetary value) of assets and the offer price or the procedure for its determination and the repurchase price of issue-grade securities in the cases stipulated by this Federal Law;
(as amended by Federal Law No. 282-FZ, dated 29 December 2012)

8) Purchasing shares, bonds, and other securities placed by the company in the cases provided for by this Federal Law or other federal laws;
(as amended by Federal Law No. 210-FZ, dated 23 July 2013)

9) Establishing the executive body of the company and terminating its powers ahead of time, if this falls within its competence in accordance with the charter of the company;

10) Recommendations on the amount of remunerations and compensations paid to the members of the company's audit commission (inspector) and determining the amount of the fee for the auditor's services;

11) Recommendations on the amount of dividends on shares and their payment procedure;

12) Using the reserve fund and other funds of the company;

13) Approving internal documents of the company, except for internal documents to be approved by the general meeting of shareholders under this Federal Law, and other internal documents of the company to be approved by the executive bodies of the company under the charter of the company;

13.1) Approving the annual report and annual accounting (financial) statements of the company, if this has been reserved to its competence under the company charter;
(Subclause 13.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

14) Setting up branches and opening representative offices of the company, unless this has been reserved to the competence of the collective executive body of the company under the company’s charter;
(Subclause 14 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

15) Approval or subsequent approval of transactions in the cases stipulated by this Federal Law;
(Subclause 15 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

16) Approval or subsequent approval of transactions stipulated in Chapter XI hereof;
(as amended by Federal Law No. 343-FZ, dated 3 July 2016)

17) Approval of the company registrar and terms and conditions of the agreement with it as well as termination of that agreement;

17.1) Making decisions on the participation and on termination of participation of the company in other entities (except for the entities specified in Subclause 18 of Clause 1, Article 48 hereof), unless this has been reserved to the competence of the executive bodies of the company by the company’s charter;
Clause 17.1 introduced by Federal Law No. 146-FZ, dated 27 July 2006)  

17.2) Submitting an application for the listing of company shares and/or company issue-grade securities convertible into company shares, if this has been reserved to its competence by the company’s charter;  
(Subclause 17.2 introduced by Federal Law No. 282-FZ, dated 29 December 2012)  

18) Other issues provided for by this Federal Law and by the company’s charter.  

2. The matters falling within the competence of the board of directors (supervisory board) of the company shall not be passed for resolution to the executive body of the company.  

Article 66. Election of the board of directors (supervisory board) of a company  

ConsultantPlus: note.  
The charter of a non-public company may include other requirements as to the size, the procedure for the formation and the holding of the meetings of the collective management body of the company (Subclause 6, Clause 3, Article 66.3 of the Civil Code of the Russian Federation).  

1. Members of the board of directors (supervisory board) of the company shall be elected by the general meeting of shareholders in accordance with the procedure established by this Federal Law and the company charter until the next annual general meeting of shareholders. If the annual general meeting of shareholders has not been held within the time established in Clause 1 of Article 47 hereof, the powers of the board of directors (supervisory board) of the company shall be terminated, except for the powers to prepare, convene, and hold the annual general meeting of shareholders.  
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)  

Persons elected to the board of directors (supervisory board) of a company may be re-elected an unlimited number of times.  

By resolution of the general meeting of shareholders, the powers of all members of the board of directors (supervisory board) of the company may be terminated early.  
(as amended by Federal Law No. 5-FZ, dated 24 February 2004)  


Members of the board of directors (supervisory board) of a company incorporated by way of reorganisation shall be elected with due regard to the special considerations stipulated in Chapter II hereof.  
(Paragraph introduced by Federal Law No. 146-FZ, dated 27 July 2006)  

2. Only an individual may be a member of the board of directors (supervisory board) of a company. Members of the board of directors (supervisory board) of a company may include persons who are not shareholders of the company.  

Members of the collective executive body of a company shall not make up more than one-fourth of the members of the board of directors (supervisory board) of the company. The person acting as the sole executive body shall not be the chairperson of the board of directors (supervisory board) of the company at the same time.  
(Clause 2 as amended by Federal Law No. 120-FZ, dated 7 August 2001)  

3. The size of the board of directors (supervisory board) of a company shall be determined by the company’s charter or by a resolution of the general meeting of shareholders but shall not comprise less than 5 members.  
(as amended by Federal Law No. 5-FZ, dated 24 February 2004)  

For a company with more than one thousand shareholders owning the company’s voting shares,
the size of the board of directors (supervisory board) of the company shall not be less than seven members, and for a company with more than ten thousand shareholders owning the company’s voting shares, less than nine members.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

4. Members of the board of directors (supervisory board) of the company shall be elected by way of cumulative voting.

(as amended by Federal Law No. 5-FZ, dated 24 February 2004)

In the event of cumulative voting, the number of votes belonging to each shareholder shall be multiplied by the number of persons to be elected to the board of directors (supervisory board) of the company, and the shareholder shall have the right to cast all votes acquired in the manner described above for one candidate or to distribute them among two or more candidates.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

The candidates who receive the greatest number of votes shall be deemed elected to the board of directors (supervisory board) of the company.

Article 67. Chairperson of the board of directors (supervisory board) of a company

1. The chairperson of the board of directors (supervisory board) of the company shall be elected by the members of the board of directors (supervisory board) of the company from among them with a majority vote of all members of the board of directors (supervisory board) of the company, unless otherwise provided for by the company’s charter.

The board of directors (supervisory board) of the company shall have the right to re-elect its chairperson at any time with a majority vote of all members of the board of directors (supervisory board), unless otherwise provided for by the company’s charter.

2. The chairperson of the board of directors (supervisory board) of the company shall organize its work, convene meetings of the board of directors (supervisory board) of the company and preside at them, arrange the recording of minutes at meetings, and preside at the general meeting of shareholders, unless otherwise provided for by the company’s charter.

3. In the absence of the chairperson of the board of directors (supervisory board) of the company, their functions shall be performed by one of members of the board of directors (supervisory board) of the company, as decided by the board of directors (supervisory board) of the company.

Article 68. Meeting of the board of directors (supervisory board) of a company

1. A meeting of the board of directors (supervisory board) of the company shall be convened by the chairperson of the board of directors (supervisory board) of the company at their own initiative or at the request of any member of the board of directors (supervisory board), the audit commission (inspector) of the company or the auditor of the company, an executive body of the company, or other persons specified by the company’s charter. The procedure for convening and holding meetings of the board of directors (supervisory board) of the company shall be determined by the company’s charter or by an internal document of the company. The charter or an internal document of the company may provide for the possibility of taking into account the written opinion of a member of the board of directors (supervisory board) of the company who was absent at the meeting of the board of directors (supervisory board) of the company on agenda items when determining the quorum and voting results as well as the possibility of the board of directors (supervisory board) of the company making decisions by way of absentee voting.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

2. The quorum for holding the meeting of the board of directors (supervisory board) of the company shall be determined by the company charter but shall not be less than half of the elected members of the board of directors (supervisory board) of the company. If the number of members of
the board of directors (supervisory board) of the company becomes less than the number required for
the said quorum, the board of directors (supervisory board) of the company shall make a decision to
hold an extraordinary general meeting of shareholders to elect new members of the board of directors
(supervisory board) of the company. The remaining members of the board of directors (supervisory
board) of the company shall have the right to make a decision only on the convening of such an
extraordinary general meeting of shareholders.
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

3. Decisions at the meeting of the board of directors (supervisory board) of the company shall be
made with a majority vote of the members of the board of directors (supervisory board) of the company
who take part in the meeting, unless this Federal Law, the company’s charter, or its internal document
defining the procedure for convening and holding meetings of the board of directors (supervisory board)
of the company provide for a greater number of votes for making the respective decisions.

Transfer of the right to vote by a member of the board of directors (supervisory board) of the
company to another person, including another member of the board of directors (supervisory board) of
the company, is not permitted.

When deciding matters at the meeting of the board of directors (supervisory board) of the
company, each member of the board of directors (supervisory board) of the company shall have one
vote. A company’s charter may provide for the right of a casting vote of the chairperson of the board of
directors (supervisory board) of the company in the course of decision-making by the board of directors
(supervisory board) of the company in the event of an equal vote of the members of the board of
directors (supervisory board) of the company.
(Clause 3 as amended by Federal Law No. 115-FZ, dated 3 June 2009)

4. The minutes shall be kept at the meeting of the board of directors (supervisory board) of the
company.

The minutes of the meeting of the board of directors (supervisory board) of the company shall be
drawn up within no more than three days after the meeting is held.
(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

The minutes of the meeting shall include the following details:

The place and time of the meeting;
The persons present at the meeting;
The agenda of the meeting;
The items put to a vote and the voting results;
The resolutions passed.

The minutes of the meeting of the board of directors (supervisory board) of the company shall be
signed by the chairperson of the meeting who shall be liable for the accurate execution of the minutes.

5. A member of the board of directors (supervisory board) of the company who did not take part
in voting or voted against a decision made by the board of directors (supervisory board) of the company
in breach of the procedure established by this Federal Law, other legal acts of the Russian Federation, or
the company’s charter shall have the right to appeal this decision in court in the event that such a
decision infringes upon their rights and lawful interests. Such an appeal may be submitted to the court
within one month from the day when the member of the board of directors (supervisory board) of the
company learned or should have learned of the decision made. The court, taking into account all
circumstances of the case, may leave the decision under appeal in effect, provided that the vote of the
appealing member of the board of directors (supervisory board) of the company could not influence the
voting results, and the violations committed are not material.
6. A shareholder shall have the right to challenge a decision of the board of directors (supervisory board) of the company made in violation of the requirements of this Federal Law, other laws and regulations of the Russian Federation, or the company charter in court, if this decision violated the rights and/or lawful interests of the company or this shareholder. The court, taking into account all circumstances of the case, may leave the decision under appeal in effect, provided that this decision has not inflicted any loss to the company or to the shareholder or the occurrence of other unfavourable circumstances for them, and the violations committed are not material.

A shareholder's appeal against a decision of the board of directors (supervisory board) of the company may be submitted to the court within three months from the day when the shareholder learned or should have learned of the decision made or about the circumstances that constitute the grounds for its invalidation. The term for appealing a decision of the board of directors (supervisory board) of the company, as provided for by this clause, cannot be resumed if missed, except when the shareholder did not file that claim under the influence of violence or threats.

7. Invalidation of a decision of the board of directors (supervisory board) of the company on the convening of the general meeting of shareholders shall not invalidate the resolution of the general meeting of shareholders held on the basis of the invalidated decision on its convening. Violations of a federal law and other laws and regulations of the Russian Federation committed when convening the general meeting of shareholders shall be assessed by the court when proceeding with the lawsuit on challenging the relevant resolution of the general meeting of shareholders.

Invalidation of the decisions of the board of directors (supervisory board) of the company on the approval of transactions consent to the performance of which is reserved to the board of directors (supervisory board) of the company in pursuance of the law or the company charter, in the event that such decisions are challenged separately from challenging the respective transactions of the company, shall not invalidate the respective transactions.

8. Decisions of the board of directors (supervisory board) of the company made in breach of the competence of the board of directors (supervisory board) of the company, in the absence of the quorum for holding the meeting of the board of directors (supervisory board) of the company, when a quorum is required to hold such a meeting in pursuance of this Federal Law, or without the majority vote of members of the board of directors (supervisory board) of the company required to make the decision shall be invalid, regardless of whether they are appealed in court.

Article 69. Executive body of a company. Sole executive body of a company (director, general director)

1. Management of the company's daily activity shall be carried out by the sole executive body of the company (director, general director) or by the sole executive body of the company (director, general director) and the collective executive body of the company (management board, directorate). The executive bodies shall be accountable to the board of directors (supervisory board) of the company and to the general meeting of shareholders.

A company’s charter which provides for the concurrent existence of sole and collective executive bodies shall define the competence of the collective body. In this case, the person acting as the sole executive body (director, general director) shall also act as the chairperson of the collective executive body of the company (management board, directorate).
A company’s charter may provide for the assignment of powers of the sole executive body to several persons (Clause 3 of Article 65.3 of the Civil Code of the Russian Federation).

By resolution of the general meeting of shareholders, the powers of the sole executive body may be assigned under a contract to a commercial organisation (management company) or to an individual entrepreneur (manager). A decision to assign the powers of the sole executive body to a management company or to a manager shall be made by the general meeting of shareholders only upon the proposal of the board of directors (supervisory board) of the company.

2. All matters regarding the management of the current activities of the company, except for matters reserved to the competence of the general meeting of shareholders or the board of directors (supervisory board) of the company, shall fall within the competence of the executive body of the company.

The executive body of the company shall arrange for the execution of decisions made by the general meeting of shareholders and by the board of directors (supervisory board) of the company.

The sole executive body of the company (director, general director) shall act on behalf of the company without a power of attorney, represent its interests, perform transactions on behalf of the company, approve the staff, issue orders, and give instructions that are binding upon all employees of the company.

A company’s charter may provide for the need to obtain the approval of the board of directors (supervisory board) of the company or the general meeting of shareholders for the performance of certain transactions. In the absence of such an approval or a subsequent approval of the respective transaction, it may be challenged by the persons specified in Paragraph 1 of Clause 6, Article 79 hereof on the grounds established in Clause 1 of Article 174 of the Civil Code of the Russian Federation.

3. Establishment of the executive bodies of the company and early termination of their powers shall take place by a resolution of the general meeting of shareholders, unless the charter of the company reserves these matters to the competence of the board of directors (supervisory board) of the company.

The rights and obligations of the sole executive body of the company (director, general director), the members of the collective executive body of the company (management board, directorate), or the management company or manager with regard to the management of the current activities of the company shall be determined by this Federal Law, other legal acts of the Russian Federation, and by the contract concluded by each of them with the company. The contract shall be signed on behalf of the company by the chairperson of the board of directors (supervisory board) of the company or by the person duly authorised by the board of directors (supervisory board) of the company.

The labour laws of the Russian Federation shall apply to the relations between the company and the sole executive body of the company (director, general director) and/or members of the collective executive body of the company (management board, directorate) to the extent they are not in conflict with the provisions of this Federal Law.

Concurrent service of the person acting as the sole executive body of the company (director, general director) and members of the collective executive body of the company (management board, directorate) in the management bodies of other entities shall be allowed only with the consent of the board of directors (supervisory board) of the company.
A company where the powers of the sole executive body have been assigned to a management company or to a manager shall acquire civil rights and assume civil duties through the management company or the manager in accordance with Paragraph 1 of Clause 1, Article 53 of the Civil Code of the Russian Federation.

(Paragraph introduced by Federal Law No. 146-FZ, dated 27 July 2006)

If the powers of the executive bodies of the company are limited to a certain time period, and upon expiry of this period a decision on the establishment of new executive bodies of the company or the decision to assign the powers of the sole executive body to a management company or a manager has not been made, the powers of the executive bodies of the company shall remain in effect until the said decisions are made.

(Paragraph introduced by Federal Law No. 210-FZ, dated 29 June 2015)

4. The general meeting of shareholders, unless the establishment of the executive bodies falls within the competence of the board of directors (supervisory board) of the company under the company’s charter, shall be entitled to decide at any time on the early termination of powers of the sole executive body of the company (director, general director) or the members of the collective executive body of the company (management board, directorate). The general meeting of shareholders shall have the right to decide at any time on the early termination of powers of a management company or a manager.

ConsultantPlus: note.
See Resolution of the Constitutional Court of the Russian Federation No. 3-P, dated 15 March 2005, regarding the discovery of the constitutional and legal essence of the provisions of Paragraph 2, Clause 4, Article 69.
See Article 279 of the Labour Code of the Russian Federation regarding the guarantees for the head of a company in the event of termination of the employment agreement.

If the creation of the executive bodies falls within the competence of the board of directors (supervisory board) of the company under the company’s charter, it shall be entitled to decide at any time on the early termination of the powers of the sole executive body of the company (director, general director) or the members of the collective executive body of the company (management board, directorate) and on the formation of new executive bodies.

If the executive bodies are established by the general meeting of shareholders, the company’s charter may provide for the right of the board of directors (supervisory board) of the company to decide to suspend the powers of the sole executive body of the company (director, general director). A company’s charter may provide for the right of the board of directors (supervisory board) of the company to decide to suspend the powers of a management company or a manager. Concurrently with the said decisions, the board of directors (supervisory board) of the company shall decide on the formation of a temporary sole executive body of the company (director, general director) and on holding an extraordinary general meeting of shareholders to resolve the matter of the early termination of the powers of the sole executive body of the company (director, general director) or the management company (manager) and the formation of a new sole executive body of the company (director, general director) or the transfer of the powers of the sole executive body of the company (director, general director) to a management company or a manager.

If the executive bodies of the company are formed by the general meeting of shareholders, and the sole executive body of the company (director, general director) or the management company (manager) cannot perform their duties, the board of directors (supervisory board) of the company may make a decision to establish a temporary sole executive body of the company (director, general director) and to hold an extraordinary general meeting of shareholders to resolve the matter of the early termination of the powers of the sole executive body of the company (director, general director) or the management company (manager) and formation of a new executive body of the company or transfer of powers of the sole executive body of the company to a management company or a manager.
All decisions specified in Paragraphs 3 and 4 of this clause shall be made with a three-fourths majority vote of the members of the board of directors (supervisory board) of the company, where votes of withdrawn members of the board of directors (supervisory board) of the company shall not be counted.

The temporary executive bodies of the company shall manage the current activities of the company within the competence of the executive bodies of the company unless the competence of the temporary executive bodies is limited by the company’s charter.  
(Clause 4 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

5. If the company’s charter reserves the resolution of the matter of the formation of the sole executive body of the company or the early termination of its powers to the competence of the board of directors (supervisory board) of the company, and the quorum determined by the company’s charter for holding a meeting of the board of directors (supervisory board) of the company amounts to more than half of the elected members of the board of directors (supervisory board) of the company, and/or if a greater number of votes than a simple majority vote of members of the board of directors (supervisory board) of the company who take part in the meeting is required to resolve the said matter in accordance with the company’s charter or the internal document governing the procedure for convening and holding meetings of the board of directors (supervisory board) of the company, such a matter may be brought for resolution to the general meeting of shareholders in the cases specified in Clauses 6 and 7 of this article.

The matter of the formation of the sole executive body of the company or early termination of its powers shall not be brought for resolution to the general meeting of shareholders if the company charter provides for other consequences that occur in the cases specified in Clauses 6 and 7 of this article.

If the terms and conditions of the shareholders’ agreement concluded by company shareholders provide for other consequences which occur in the cases described in Clauses 6 and 7 of this article, a failure to fulfil or improper fulfilment of the respective obligations under the shareholders' agreement shall not constitute the grounds for exemption from liability or from the implementation of measures to secure the fulfilment of the obligations stipulated by such an agreement.  
(Clause 5 introduced by Federal Law No. 115-FZ, dated 3 June 2009)

6. If subject to the conditions stipulated by Paragraph 1 of Clause 5 of this article a decision on the formation of the sole executive body of the company has not been made by the board of directors (supervisory board) of the company at two meetings running or within two months from the date of termination or expiry of the powers of the sole executive body of the company formed previously, companies that disclose information in compliance with the laws of the Russian Federation on securities must disclose information on the failure to make such a decision in the manner prescribed by the Russian laws on securities, and other companies shall notify their shareholders of the failure to make such a decision in the manner prescribed by this Federal Law for notification on holding the general meeting of shareholders. This notice shall be sent to the shareholders, or, if the company’s charter determines a print publication for publishing notices of the general meeting of shareholders, it shall be published in such a print publication within no more than 15 days from the date of the second meeting of the board of directors (supervisory board) of the company whose agenda included the formation of the sole executive body of the company and at which such body was not formed, and, if the second meeting did not take place, upon the expiry of two months from the date of termination or expiry of the powers of the sole executive body of the company formed previously. The list of company shareholders to whom this notice is to be sent shall be prepared on the basis of the data from the register of owners of company securities as of the date of the second meeting of the board of directors (supervisory board) of the company at which the decision on the formation of the sole executive body of the company was not made or, if such meeting did not take place, upon the expiry of a two-month period from the date of termination or expiry of powers of the sole executive body of the company formed previously. If a nominal holder of shares has been registered in the register of owners of company securities, the notice shall be sent to the nominal holder of shares for further forwarding to the persons for the benefit of
whom it holds the company shares.

The notice in accordance with this clause shall be sent on behalf of the company by the chairperson of the board of directors (supervisory board) of the company. After sending the notice of shareholders or after disclosing information in accordance with Paragraph 1 of this clause, the chairperson of the board of directors (supervisory board) of the company shall act on behalf of the company until the temporary sole executive body of the company is formed.

The shareholder(s) shall have the right to demand the convening of an extraordinary general meeting of shareholders to resolve the matter of the formation of the sole executive body of the company within 20 days after the obligation of the company to disclose the said information arises.

Within five days from the expiry date of the period stipulated by this clause for the shareholder(s) to demand the convening of an extraordinary general meeting of shareholders, the board of directors (supervisory board) of the company shall make a decision on the formation of a temporary sole executive body of the company and on the convening of an extraordinary general meeting of shareholders in accordance with Article 55 hereof, if such demands have been received by the said date from shareholder(s) owning no less than 10 per cent of the company's voting shares. If two or more requests are submitted for the convening of an extraordinary general meeting of shareholders to decide on the formation of the sole executive body of the company, the board of directors (supervisory board) of the company, in accordance with this clause, shall decide on the convening of one extraordinary general meeting of shareholders.

The decision to convene an extraordinary general meeting of shareholders and to form a temporary sole executive body of the company shall be made by the board of directors (supervisory board) of the company with a majority vote of the members of the board of directors (supervisory board) of the company who take part in the meeting subject to a quorum consisting of no less than a half of the elected members of the board of directors (supervisory board) of the company. (Clause 6 introduced by Federal Law No. 115-FZ, dated 3 June 2009)

7. If subject to the conditions stipulated by Paragraph 1 of Clause 5 of this article a decision on the early termination of the powers of the sole executive body of the company has not been made by the board of directors (supervisory board) of the company at two straight meetings of the board of directors (supervisory board) of the company that disclose information in compliance with the laws of the Russian Federation on securities must disclose information on the failure to make such a decision in the manner prescribed by the Russian laws on securities, and other companies shall notify their shareholders on the failure to make such a decision in the manner prescribed by this Federal Law for notification on holding the general meeting of shareholders. This notice shall be sent to the shareholders, or, if the company’s charter determines a print publication for publishing notices of the general meeting of shareholders, it shall be published in such a print publication within no more than 15 days from the date of the second meeting of the board of directors (supervisory board) of the company whose agenda included the early termination of the powers of the sole executive body of the company, and at which a decision on the early termination of the powers of such body was not made. The list of company shareholders to whom this notice is sent shall be prepared on the basis of the data from the register of owners of company securities as of the date of the second meeting of the board of directors (supervisory board) of the company at which a decision on the early termination of the powers of the sole executive body of the company was not made. If a nominal holder of shares has been registered in the register of owners of company securities, the notice shall be sent to the nominal holder of shares for further forwarding to the persons for the benefit of whom it holds the company shares.

Shareholder(s) shall have the right to request the convening of an extraordinary general meeting of shareholders to resolve the matter of the early termination of the powers of the sole executive body of the company within 20 days after the obligation of the company to disclose the said information arises.

Within five days from the expiry date of the period stipulated by this clause for the shareholder(s) to request the convening of an extraordinary general meeting of shareholders, the board of directors
The decision to convene an extraordinary general meeting of shareholders of the company shall be made by the board of directors (supervisory board) of the company with a majority vote of the members of the board of directors (supervisory board) of the company who take part in the meeting subject to a quorum consisting of half of the elected members of the board of directors (supervisory board) of the company.

(Clause 7 introduced by Federal Law No. 115-FZ, dated 3 June 2009)

8. An extraordinary general meeting of shareholders shall be convened on the grounds set forth in Clauses 6 and 7 of this article by decision of the board of directors (supervisory board) of the company in the manner prescribed by Article 55 hereof.

In this case, items shall be included in the agenda of the said general meeting of shareholders and candidates to the executive body of the company shall be nominated in accordance with the procedure established by Article 53 hereof.

The wordings of the item to be included in the agenda of the general meeting of shareholders convened on the grounds set forth in Clauses 6 and 7 of this article and the item included previously in the agenda of the board of directors (supervisory board) of the company shall not differ.

If the matter of the formation of the sole executive body of the company or the early termination of its powers in the cases stipulated in Clauses 6 and 7 of this Article is brought for resolution to the general meeting of shareholders, the agenda of such a general meeting of shareholders shall include an item on the early termination of powers of the members of the board of directors (supervisory board) of the company and on the election of a new board of directors (supervisory board) of the company.

(Clause 8 introduced by Federal Law No. 115-FZ, dated 3 June 2009)

9. If the board of directors (supervisory board) of the company fails to make a decision on the convening of an extraordinary general meeting of shareholders at the request of the persons specified in Clauses 6 and 7 of this article during the time period established by this Federal Law, or if a decision to deny its convening has been made, an extraordinary general meeting of shareholders may be convened in accordance with Clause 8 of Article 55 hereof.

(Clause 9 introduced by Federal Law No. 115-FZ, dated 3 June 2009)

Article 70. Collective executive body of a company (management board, directorate)

1. The collective executive body of a company (management board, directorate) shall act on the basis of the company’s charter and on the basis of the internal document of the company approved by the general meeting of shareholders (regulation or other document) which establishes the time frames and the procedure for the convening and holding of its meetings and the procedure for making decisions.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

2. The quorum for holding a meeting of the collective executive body of the company (management board, directorate) shall be determined by the company's charter or by the internal document of the company and shall amount to no less than half of the elected members of the collective executive body of the company (management board, directorate). If the number of members of the collective executive body of the company (management board, directorate) becomes less than the amount required for the quorum, the board of directors (supervisory board) of the company shall make a decision on the formation of a temporary collective executive body of the company.
Minutes shall be kept at the meeting of the collective executive body of the company (management board, directorate). The minutes of the meeting of the collective executive body of the company (management board, directorate) shall be submitted to the members of the board of directors (supervisory board) of the company, the audit commission (inspector) of the company, or the auditor of the company at their request.

Meetings of the collective executive body of the company (management board, directorate) shall be organised by the person acting as the sole executive body of the company (director, general director) who shall sign all documents on behalf of the company and the minutes of meetings of the collective executive body of the company (management board, directorate) and shall act on behalf of the company without a power of attorney in accordance with the decisions of the collective executive body of the company (management board, directorate) made within its competence.

A member of the collective executive body of the company (management board, directorate) shall not transfer its voting right to another person, including to another member of the collective executive body of the company (management board, directorate).

3. Invalidation of a decision of the collective executive body of the company (management board, directorate), in the event that such a decision is challenged separately from challenging the respective transaction of the company performed on the basis of such a decision, shall not invalidate this transaction. The terms and procedure for challenging a decision of the collective executive body of the company (management board, directorate) shall be governed by the provisions of Clause 6, Article 68 hereof.

Article 71. Liability of members of the board of directors (supervisory board) of a company, the sole executive body of a company (director, general director), and/or members of the collective executive body of a company (management board, directorate), a management company or manager

1. Members of the board of directors (supervisory board) of the company, the sole executive body of the company (director, general director), the temporary sole executive body, members of the collective executive body of the company (management board, directorate), as well as a management company or a manager, when exercising their rights and performing their duties, shall act for the benefit of the company, in good faith, and reasonably.

2. Members of the board of directors (supervisory board) of the company, the sole executive body of the company (director, general director), the temporary sole executive body, members of the collective executive body of the company (management board, directorate), as well as a management company or a manager shall be liable to the company for losses inflicted to the company by their wrongful actions (inaction), unless other grounds for liability are established by federal laws.

Members of the board of directors (supervisory board) of the company, the sole executive body of the company (director, general director), the temporary sole executive body, members of the collective executive body of the company (management board, directorate), as well as a management company or a manager shall be liable to the company or shareholders for losses inflicted by their wrongful actions (inaction) that violate the procedure for acquiring company shares, as provided for by Chapter XI.1 hereof.

Members of the board of directors (supervisory board) of the company or the collective executive
body of the company (management board, directorate) who voted against a decision that resulted in damages to the company or a shareholder or who did not take part in voting shall not be held liable. (Clause 2 as amended by Federal Law No. 7-FZ, dated 5 January 2006)

3. When determining the grounds and the scope of liability of members of the board of directors (supervisory board) of the company, the sole executive body of the company (director, general director), the temporary sole executive body, or members of the collective executive body of the company (management board, directorate) as well as a management company or a manager, customary business practice and other circumstances important for the case shall be taken into account.

4. If in accordance with the provisions of this article several persons bear liability, their liability to the company and, in the case stipulated by Paragraph 2 of Clause 2 of this article, to a shareholder shall be joint and several. (as amended by Federal Law No. 7-FZ, dated 5 January 2006)

5. A company or a shareholder (shareholders) owning a total of no less than 1 per cent of outstanding ordinary shares of a company shall have the right to file a lawsuit in court against a member of the board of directors (supervisory board) of the company, the sole executive body of the company (director, general director), the temporary sole executive body, or a member of the collective executive body of the company (management board, directorate) as well as against a management company or a manager for the recovery of losses inflicted on the company in the case stipulated by Paragraph 1 of Clause 2 of this article.

A company or the shareholder shall have the right to file a lawsuit in court against a member of the board of directors (supervisory board) of the company, the sole executive body of the company (director, general director), the temporary sole executive body, a member of the collective executive body of the company (management board, directorate), as well as against a management company or a manager for the recovery of losses inflicted on it in the case stipulated by Paragraph 2 of Clause 2 of this article. (Clause 5 as amended by Federal Law No. 7-FZ, dated 5 January 2006)

6. Representatives of the state or the municipality in the board of directors (supervisory board) of a company shall bear liability as provided for by this article along with other members of the board of directors (supervisory board) of the company. (Clause 6 introduced by Federal Law No. 120-FZ, dated 7 August 2001; as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Chapter IX. ACQUISITION AND REPURCHASE OF OUTSTANDING SHARES BY A COMPANY

Article 72. Acquisition of outstanding shares by a company

1. A company shall have the right to acquire its own shares by a resolution of the general meeting of shareholders on the reduction of its authorised capital by way of acquiring a part of outstanding shares for the purpose of reducing their total amount, if this is provided for by the company’s charter.

A company may not make a decision to reduce its authorised capital by way of acquiring a part of outstanding shares for the purpose of reducing their total amount if the par value of shares remaining in circulation becomes less than the minimum amount of the authorised capital as provided for by this Federal Law.

2. If this is provided for by its charter, a company shall have the right to acquire its outstanding shares by resolution of the general meeting of shareholders or by decision of the board of directors (supervisory board) of the company, if in accordance with the company’s charter the board of directors (supervisory board) of the company has the right to make such a decision. (as amended by Federal Law No. 120-FZ, dated 7 August 2001)
A company shall not be entitled to make a decision on the acquisition of shares by the company if the par value of company shares in circulation is less than 90 per cent of the company's authorised capital.

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

3. Shares acquired by a company on the basis of a decision made by the general meeting of shareholders to reduce the company's authorised capital by way of acquiring shares for the purpose of reducing their total amount shall be redeemed upon their acquisition.

Shares acquired by the company in accordance with Clause 2 of this article shall not grant voting rights and shall not be taken into account for the purpose of counting votes, and no dividend shall accrue on them. Such shares shall be sold at a price that is not lower than their market value within no more than a year from the date of their acquisition. Otherwise, the general meeting of shareholders shall adopt a resolution to reduce the authorised capital of the company by way of redemption of those shares.

(as amended by Federal Laws No. 120-FZ, dated 7 August 2001; No. 146-FZ, dated 27 July 2006)

4. The decision on the acquisition of shares shall specify the categories (types) of shares to be acquired, the number of shares of each category (type) to be acquired by the company, the purchase price, the form and term of payment, and the term during which shareholders shall submit their applications for the sale of their shares to the company or during which such applications may be revoked.

Unless otherwise established by the company’s charter, the payment for shares upon their acquisition shall be made in cash funds. The time during which shareholders shall submit their applications for the sale of their shares to the company, or during which such applications may be revoked shall not be less than 30 days, and the term for payment by the company for the shares it acquires shall not exceed 15 days following the expiry of the time period established for the receipt or revocation of such applications. The price of acquisition of shares by the company shall be determined in accordance with Article 77 hereof.

Each shareholder owning shares of certain categories (types) a decision to acquire which has already been made shall have the right to sell these shares, and the company shall be obliged to acquire them. If the total number of shares for which applications to sell have been submitted to the company exceeds the number of shares that may be acquired by the company subject to the limitations established by this article, the shares shall be acquired from the shareholders in proportion to the requests submitted.

(Clause 4 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

5. A company shall notify the shareholders owning shares of certain categories (types) the decision to acquire which has been made no later than 20 days before the start of the period during which the shareholders may submit their applications for the sale of their shares or revoke such applications. The notice shall contain the information indicated in Paragraph 1 of Clause 4 of this article. The notice shall be communicated to the shareholders owning shares of certain categories (types) the decision to acquire which has been made in accordance with the procedure established for notification on holding the general meeting of shareholders.

(Clause 5 as amended by Federal Law No. 210-FZ, dated 29 June 2015)


7. The board of directors (supervisory board) of a company shall approve a report on the results of the submission of applications by shareholders for the sale of their shares, which shall contain information on the number of shares for which applications for their sale have been received and on the quantity in which they may be acquired by the company, within no more than five days following the expiry day of the period during which the applications of shareholders for the sale of their shares may be submitted or revoked.

(Clause 7 introduced by Federal Law No. 210-FZ, dated 29 June 2015)
8. To the extent not governed by this article, the relations associated with the acquisition of treasury shares by the company and the exercise by shareholders of the right to sell their shares shall be governed by the rules established by Article 76 hereof.
(Clause 8 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

**Article 73. Limitations on the acquisition of outstanding shares by a company**

1. A company is not entitled to acquire its outstanding ordinary shares:

   Until the authorised capital of the company has been paid up in full;

   If at the moment of their acquisition the company meets the criteria for insolvency (bankruptcy) in accordance with the legal acts of the Russian Federation on the insolvency (bankruptcy) of enterprises or if it meets these criteria as a result of the acquisition of such shares;

   If at the moment of their acquisition the net asset value of the company is less than its authorised capital, the reserve fund, and the excess of the liquidation value of outstanding preferred shares determined by the charter over the par value or becomes less as a result of the acquisition of shares.

2. A company is not entitled to acquire its outstanding preferred shares of a certain type:

   Until the authorised capital of the company has been paid up in full;

   If at the moment of their acquisition the company meets the criteria for insolvency (bankruptcy) in accordance with the legal acts of the Russian Federation on the insolvency (bankruptcy) of enterprises, or if it meets these criteria as a result of the acquisition of such shares;

   If at the moment of their acquisition the net asset value of the company is less than its authorised capital, the reserve fund, and the excess over the par value of the liquidation value determined by the charter of outstanding preferred shares whose owners have higher priority for payment of the liquidation value than the owners of the types of preferred shares to be acquired or becomes less as a result of the acquisition of the shares.

3. A company shall not acquire outstanding shares until all shares with regard to which requests for repurchase have been submitted in accordance with Article 76 hereof have been repurchased.

**Article 74. Consolidation and splitting of company shares**

1. Based on a resolution of the general meeting of shareholders, the company may consolidate its outstanding shares, as a result of which two or more shares of the company shall be converted into one new share of the same category (type). In this case, the appropriate amendments shall be made to the company’s charter regarding the par value and the number of outstanding and authorised shares of the company of the respective category (type).

   (as amended by Federal Law No. 120-FZ, dated 7 August 2001)


2. Based on a resolution of the general meeting of shareholders, the company may split outstanding shares of the company, as a result of which one share of the company shall be converted into two or more shares of the company of the same category (type). In this case, the appropriate amendments shall be made to the company’s charter regarding the par value and the number of outstanding and authorised shares of the company of the respective category (type).

   (as amended by Federal Law No. 120-FZ, dated 7 August 2001)

**Article 75. Repurchase of shares by a company at the request of shareholders**

1. Unless otherwise provided for by a federal law, shareholders owning voting shares shall have
the right to demand that the company repurchase all or a part of their shares in the following cases:
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

If the general meeting of shareholders makes a decision on the reorganisation of the company or on the approval or subsequent approval of a major transaction involving property whose value exceeds 50 per cent of the book value of company assets, as determined based on the data of its accounting (financial) statements as of the last reporting date (including a transaction that is also an interested-party transaction), if they voted against the decision on the reorganisation of the company or against the decision on approval or subsequent approval of the said transaction or did not take part in voting on these matters;
(as amended by Federal Law No. 343-FZ, dated 3 July 2016)

If amendments or supplements are introduced to the company’s charter (a resolution is adopted by the general meeting of shareholders which constitutes the grounds for introducing amendments and supplements to the company’s charter) or a new version of the company’s charter is approved which limit their rights, if they voted against the respective decision or did not take part in voting;
(as amended by Federal Law No. 282-FZ, dated 29 December 2012)

If the general meeting of shareholders adopts a resolution on the items stipulated by Clause 3 of Article 7.2 and Subclause 19.2 of Clause 1, Article 48 hereof, if they voted against the respective decision or did not take part in voting.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1.1. The shareholders of a non-public company who own the preferred shares specified in Clause 6 of Article 32 hereof shall have the right to demand that the company repurchase all or a part of the said preferred shares belonging to them if the general meeting of shareholders makes decisions on matters stipulated by the company’s charter, provided that they voted against the respective decision or did not take part in voting.
(Clause 1.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

1.2. The number of voting shares of each category (type) which shareholders may present for repurchase by the company shall not exceed the number of shares of the respective category (type) belonging to them, as determined on the basis of the data contained in the list of persons entitled to participate in the general meeting of shareholders whose agenda included the items voting on which entailed the right to request that the said shares be repurchased by the company.
(Clause 1.2 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

2. The list of shareholders entitled to request that the company repurchase their shares shall be drawn up on the basis of the data contained in the list of persons entitled to participate in the general meeting of shareholders, whose agenda included the matters voting on which in accordance with this Federal Law entailed the right to request the repurchase of shares, and shareholders’ requests submitted to the company for the repurchase of their shares (the ‘request for repurchase of shares’).
(Clause 2 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

3. Repurchase of shares by the company shall be carried out at a price determined by the board of directors (supervisory board) of the company, which shall not be lower than the market value determined by an appraiser, without considering its change as a result of the company’s actions which created the right to request the valuation and repurchase of shares.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The price of the repurchase of shares by the company in the case stipulated by Paragraph 4 of Clause 1 of this article cannot be less than their weighted average price determined on the basis of the results of on-exchange trading for the six months preceding the date of the decision to hold the general meeting of shareholders whose agenda included an item on the submission of an application for the delisting of company shares and/or company issue-grade securities convertible into its shares.
(Paragraph introduced by Federal Law No. 282-FZ, dated 29 December 2012)
(Clause 3 as amended by Federal Law No. 120-FZ, dated 7 August 2001)
**Article 76. Exercise of shareholders’ right to request the repurchase of their shares by a company**

1. A company shall inform shareholders of their right to request the repurchase of their shares by the company, the repurchase price and the procedure, including the address or addresses to which requests for the repurchase of shares of shareholders registered in the register of company shareholders may be sent.

   (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. A notice sent to shareholders on the holding of a general meeting of shareholders whose agenda includes items voting on which may in accordance with this Federal Law create the right to request the repurchase of shares by the company shall contain the information specified in Clause 1 of this article.

   (as amended by Federal Law No. 120-FZ, dated 7 August 2001)

3. A request for the repurchase of shares of a shareholder registered in the register of company shareholders or the revocation of such a request shall be submitted to the company registrar by sending a written document signed by the shareholder by post or delivering it against signature, or, if it is provided for by the rules according to which the company registrar keeps the register, also by sending an electronic document signed with a qualified electronic signature. These rules may also provide for the possibility of signing such an electronic document with a simple or non-qualified electronic signature. In this case, an electronic document signed with a simple or non-qualified electronic signature shall be considered equal to a document in hard copy signed with a hand-written signature.

   A request for repurchase of shares of a shareholder registered in the register of company shareholders shall contain information enabling the identification of the shareholder who submitted the request and the number of shares of each category (type) of which the shareholder requests the repurchase.

   From the day when the company registrar receives the shareholder's request for repurchase of shares until the day when the record on the transfer of the rights to the repurchased shares to the company is made in the register of company shareholders or until the day of receipt of the shareholder's revocation of such a request, the shareholder may not dispose of the shares whose repurchase it has requested, pledge them or otherwise encumber them, about which the company registrar, without the shareholder's order, shall make a record on the establishment of such restrictions on the account where the rights to the shares of the shareholder that submitted such a request are recorded.

   (Clause 3 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

3.1. A shareholder that is not registered in the register of company shareholders shall exercise the right to request the repurchase of its shares by the company by giving respective directives (instructions) to the entity that records its rights to the shares of the company. In this case, such a directive (instruction) shall be given in accordance with the rules of Russian laws on securities and shall contain information on the number of shares of each category (type) of which the shareholder is requesting the repurchase.

   From the day when the nominal holder of shares receives the shareholder's directives (instructions) for the exercise of the right to request the repurchase of shares until the day when the record on the transfer of rights to such shares to the company is made on the account of the said nominal holder or until the day when the nominal holder receives information on the receipt by the company registrar of the shareholder's revocation of their request, the shareholder may not dispose of the shares whose repurchase has been requested, pledge them, or otherwise encumber them, about which the nominal holder, without the shareholder's instruction, shall make a record on the establishment of such limitations for the account where the rights to the shares of the shareholder who submitted such a request are recorded.

   (Clause 3.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)
3.2. Shareholders' requests for the repurchase of shares shall be submitted or revoked within no more than 45 days from the date when the general meeting of shareholders made the respective decision. The revocation of a request for the repurchase of shares shall be permitted only with respect to all company shares whose repurchase is requested. A request for the repurchase of a shareholder's shares or its revocation shall be deemed submitted to the company on the day of its receipt by the company registrar from the shareholder registered in the register of company shareholders or on the day of receipt of the notice with the shareholder's will by the company registrar from the nominal holder of shares registered in the register of company shareholders. (Clause 3.2 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

3.3. A record on the lifting of the restrictions set forth in Clauses 3 and 3.1 of this article without the directive (instruction) of the person on whose account such restrictions have been imposed shall be made:

1) Concurrently with the record on the transfer of the rights to the repurchased shares to the company;

2) On the day of receipt from the shareholder registered in the register of company shareholders of the revocation of its request for the repurchase by the company of its shares in the company;

3) On the day when the nominal holder receives information that the company registrar has received a revocation of a request from the shareholder who is not registered in the register of company shareholders for the repurchase by the company of the company shares belonging to such a shareholder;

4) Seven business days after the expiry of the period for the payment of shares repurchased by the company, if no directive (instruction) to keep the said restrictions in effect has been received from the shareholder. (Clause 3.3 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

4. Upon the expiry of the period specified in Clause 3.2 of this article, the company shall repurchase the shares from the shareholders included in the list of persons entitled to request the repurchase of their shares within 30 days. Should any requests be submitted for the repurchase of shares by persons who are not included in the said list, the company shall send a refusal to satisfy such requests within no more than five business days after the period specified in Clause 3.2 of this article expires.

The board of directors (supervisory board) of the company shall approve the report on the results of the submission of requests from shareholders for the repurchase of their shares, which shall contain information on the number of shares for which requests for their repurchase were submitted and on the quantity in which they may be repurchased by the company, within no more than 50 days following the day when the respective decision was made by the general meeting of shareholders of the company. Information contained in the extract from such a report shall be sent to the nominal holders of shares registered in the register of company shareholders in accordance with the rules of Russian laws on securities for the provision of information and materials to entities exercising rights under securities. (Clause 4 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

4.1. Payment of money in connection with the repurchase of shares by the company to the persons registered in the register of company shareholders shall be effected by way of its transfer to the bank accounts whose details are in the possession of the company registrar. A company's obligation specified in this clause shall be deemed discharged from the date when the money is received by the credit institution with which the bank account of the person entitled to receive such payments is opened, and when this person is the credit institution, to its own account. In the absence of information on the bank account details, or if it is not possible to credit money to the bank account due to circumstances beyond the control of the company, such money for the shares repurchased by the company shall be transferred to a notary's deposit at the place of the company's location. The company registrar shall make records on the transfer of the rights to the repurchased shares to the company,
except for the transfer of rights to shares which are accounted for by nominal holders, on the basis of the report on the results of the submission of shareholders' requests for the repurchase of shares approved by the board of directors (supervisory board) of the company and documents attesting that the company has performed the duty to pay money to the shareholders, without the order of the person registered in the register of company shareholders.

(Clause 4.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

4.2. Payment of money in connection with the repurchase of shares by the company to the persons not registered in the register of company shareholders shall be effected by way of its transfer to the bank account of the nominal holder of shares that is registered in the register of company shareholders. A company's obligation specified in this clause shall be deemed discharged from the date when the money is received by the credit institution where the bank account of such a nominal holder is opened or, when the nominal holder is a credit institution, to its own account.

The company registrar shall make a record on the transfer of the rights to the repurchased shares to the company on the basis of an order of the nominal holder of shares who is registered in the register of company shareholders for the transfer of shares to the company and in accordance with the report on the results of the submission of shareholders' requests for the repurchase of their shares approved by the board of directors (supervisory board) of the company. Such an order shall be given by the nominal holder of shares within no more than two business days after the money for the repurchased shares is received in the bank account specified in this clause, and the extract from the report on the results of the submission of shareholders' requests for the repurchase of shares approved by the board of directors of the company is submitted. The making of the record specified in this paragraph shall serve as the grounds for the making of a corresponding record by the nominal holder of shares on the customer's (depositor's) depository accounts without a directive (instruction) of the latter. The nominal holder of shares registered in the register of company shareholders shall pay the money to its depositors by way of its transfer to their bank accounts no later than on the next business day following the day when such an order is given. The nominal holder of shares registered in the register of company shareholders shall pay the money to its depositors by way of its transfer to their bank accounts no later than on the next business day following the receipt of money and the receipt of information about the number of repurchased securities from the depository where the nominal holder is a depositor.

(Clause 4.2 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

5. A company shall repurchase shares at the price indicated in the notice of the general meeting whose agenda includes items voting on which may lead, in accordance with this Federal Law, to the occurrence of the right to request the repurchase of shares by the company. The total amount of funds allocated by the company to repurchase shares shall not exceed 10 per cent of the net asset value of the company as of the date of the decision that has led to the occurrence of the shareholders' right to request the repurchase of their shares by the company. If the total number of shares for which requests for repurchase have been submitted exceeds the number of shares that may be repurchased by the company subject to the above limitation, the shares shall be repurchased from the shareholders in proportion to the submitted requests.

6. The shares repurchased by the company shall be put at its disposal. These shares shall not grant the right to vote, shall not be taken into account in vote counting, and no dividends shall accrue on them. These shares shall be sold at a price no lower than their market value and no later than within a year from the day of transfer of ownership of the repurchased shares to the company; otherwise the general meeting of shareholders shall make a decision to reduce the authorised capital of the company by way of retirement of the said shares.

(Clause 6 introduced by Federal Law No. 146-FZ, dated 27 July 2006)

7. In a non-public company where the functions of the board of directors (supervisory board) are performed by the general meeting of shareholders, the report on the results of the submission of shareholders' requests for the repurchase of shares shall be approved by the person acting as the sole executive body of such company, unless the charter of such a company reserves its approval to the competence of the general meeting of shareholders or the collective executive body of the company.
Article 77. Pricing (monetary valuation) of property
(as amended by Federal Law No. 146-FZ, dated 27 July 2006)

1. In cases when the price (monetary value) of property and the offer price or the procedure for its determination or the repurchase price of issue-grade securities of the company are determined by a decision of the board of directors (supervisory board) of the company in accordance with this Federal Law, they shall be determined based on their market value.

(Paragraph introduced by Federal Law No. 346-FZ, dated 30 November 2011)

A company that has compensated the relevant loss or damage shall have the right of recourse to the appraiser that carried out such appraisal.

(Paragraph introduced by Federal Law No. 346-FZ, dated 30 November 2011)

If a person interested in settling one or several transactions under which the price (monetary value) of the property is to be determined by the board of directors (supervisory board) of the company is a member of the board of directors (supervisory board) of the company, the price (monetary value) of the property shall be determined by a decision of the members of the board of directors (supervisory board) of the company who are not interested in settling such a transaction. In a public company, the price (monetary value) of property shall be determined by the majority vote of the directors who are not interested in the execution of the transaction and who meet the requirements established by Clause 3 of Article 83 hereof, unless a greater number of votes of the said directors is provided for by the charter of the public company.

(Paragraph introduced by Federal Law No. 346-FZ, dated 30 November 2011)

If the number of directors who are not interested in the execution of the transaction and if the number of directors (in a public company) who are not interested in the execution of the transaction and who meet the requirements established by Clause 3 of Article 83 hereof is less than the quorum determined by the charter for holding the meeting of the board of directors (supervisory board) of the company, the price (monetary value) of the property shall be determined by decision of the board of directors (supervisory board) of the company unanimously by all members of the board of directors (supervisory board) of the company, not including the votes of members of the board of directors (supervisory board) of the company who have withdrawn, unless the company’s charter specifies that the price (monetary value) of the property shall be determined by a resolution of the general meeting of shareholders made in the manner established by Clause 4 of Article 83 hereof.

(Paragraph introduced by Federal Law No. 346-FZ, dated 30 November 2011)

2. An appraiser may be engaged to determine the market value of property.

(Paragraph introduced by Federal Law No. 210-FZ, dated 29 June 2015)

Engagement of an appraiser to determine the market value shall be mandatory for determining the repurchase price of shareholders' shares by the company in accordance with Article 76 hereof and in other cases when it is directly provided for by this Federal Law.

(Paragraph introduced by Federal Laws No. 146-FZ, dated 27 July 2006; No. 210-FZ, dated 29 June 2015}

When determining the offer price for securities, the purchase price or the bid price and the offer price of which are published on a regular basis in print publications, the engagement of an appraiser is
not required, but the purchase price or the bid price and the offer price shall be taken into account to
determine the market value of such securities.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)
(Clause 2 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

3. If 2% to 50% inclusive of the voting shares of a company are held by the state and/or a
municipality, and the price (monetary value) of the property, the offer price of issue-grade securities of
the company, or the repurchase price of company shares (the 'property price') are determined by the
board of directors (supervisory board) of the company in accordance with this article, the federal
executive body authorised by the Government of the Russian Federation (the 'competent body') shall be
notified of the decision made by the board of directors (supervisory board) of the company on
determining the property price.

   The following documents shall be submitted to the competent body within no more than three
business days from the date when the board of directors (supervisory board) of the company makes a
decision on determining the property price:

   A copy of the decision of the board of directors (supervisory board) of the company on
determining the property price;

   An appraiser’s appraisal report, if an appraiser must be engaged to determine the property price
in accordance with this Federal Law and in other cases where an appraiser has been engaged to
determine the property price;
(as amended by Federal Law No. 346-FZ, dated 30 November 2011)

   Other documents (copies of documents) containing information on the determination of the
property price prepared by the company, its shareholders, or the counterparty of the company, if the
engagement of an appraiser is not mandatory under this Federal Law and an appraiser has not been
engaged to determine the property price.

   The competent body shall have the right to send a substantiated opinion to the company within
no more than 20 days following the receipt of the said documents.

   The competent body shall study the documents and verify the conformity of:

   The appraisal report prepared by the appraiser to the appraisal standards and to the laws on
appraisal activity;

   The decision of the board of directors (supervisory board) of the company on determining the
property price to the prevailing market prices for similar property, if the engagement of an appraiser is
not mandatory in accordance with this Federal Law.

   A substantiated opinion of the competent body shall be sent to the company in the event that the
competent body makes a decision on the non-conformity of the property price, as determined by
decision of the board of directors (supervisory board) of the company in accordance with this article
without engaging an appraiser, to the prevailing market prices for similar property or in the event that
the competent body makes a decision on the non-conformity of the appraisal report prepared by the
appraiser to the appraisal standards and to the laws on appraisal activity. Upon receiving the opinion,
in the event that the competent body makes a decision on the non-conformity of the property price
determined by the decision of the board of directors (supervisory board) of the company in accordance
with this article without engaging an appraiser, the board of directors (supervisory board) of the
company shall make a decision to decline to execute the transaction or to determine the property price
with the mandatory engagement of an appraiser and in compliance with the procedure established by
this article.
(as amended by Federal Law No. 172-FZ, dated 2 June 2016)

The opinion of the competent body may be challenged in court based on the lawsuit of the company.

If the opinion of the competent body is sent to the company, the property price determined by decision of the board of directors (supervisory board) of the company in accordance with this article shall be deemed inaccurate.

(as amended by Federal Law No. 172-FZ, dated 2 June 2016)


If the competent body did not send an opinion to the company within the time established by this article, the property price shall be deemed accurate and recommended for the execution of the transaction.

A transaction executed by the company in breach of the procedure established by this article or the price of which is inaccurate in accordance with this clause may be invalidated based on the lawsuit of the competent body within six months from the day when the competent body learned or should have learned of the execution of such a transaction.

The court, taking into account all circumstances of the case, shall have the right to deny invalidation of the transaction, provided that the company proves that the committed violations are not material, and the transaction did not inflict any loss to the company, the state, and/or the municipality.

(Clause 3 as amended by Federal Law No. 146-FZ, dated 27 July 2006)

4. Invalidation of the resolution of the general meeting of shareholders or the decision of the board of directors (supervisory board) of the company as provided for by Clause 1 of this article shall not invalidate the transactions executed by the company at the price determined on the basis of the decision of the board of directors (supervisory board) of the company, other transactions, decisions of other company bodies, or issues of issue-grade securities which are to be executed, adopted, or placed in accordance with the requirements of this Federal Law based on the determination of the price according to the rules established by this article.

(as amended by Federal Law No. 343-FZ, dated 3 July 2016)

(Clause 4 introduced by Federal Law No. 205-FZ, dated 19 July 2009)

ConsultantPlus: note.
The provisions of Chapter X shall not apply to transactions executed with preferred shares (inter alia, during their issue and offering) acquired for the money specified in Part 3 of Article 4 and Part 3 of Article 5 of Federal Law No. 173-FZ, dated 13 October 2008 (as amended on 21 July 2014).

Chapter X. MAJOR TRANSACTIONS

Article 78. Major transaction

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. A major transaction is a transaction (or several interrelated transactions) that exceeds the scope of ordinary business activity, and:
1) Is associated with the acquisition, alienation, or possibility of alienation of property by the company, whether directly or indirectly (including loan, credit, pledge, surety, or the acquisition of an amount of shares or other issue-grade securities convertible into shares of a public company which would result in the occurrence of the company's obligation to send a mandatory offer in accordance with Chapter XI.1 hereof), the price or the book value of which amounts to 25 per cent or more of the book value of the company's assets, as determined on the basis of the data of its accounting (financial) statements as of the last reporting date;

2) Provides for the obligation of the company to transfer property for temporary possession and/or use to a third party or to grant a third party the right to use the result of intellectual activity or means of individualisation under a licence, provided that their book value amounts to 25 per cent or more of the book value of company's assets, as determined on the basis of the data of its accounting (financial) statements as of the last reporting date.

(Clause 1 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

1.1. In the event of alienation of or occurrence of the possibility of alienating the property, the book value of such property or the price of its alienation (whichever is higher) shall be compared with the book value of company assets. In the event of acquisition of property, the purchase price of such property shall be compared with the book value of company assets.

In the event of transferring company property for temporary possession and/or use, the book value of such property transferred for temporary possession or use shall be compared with the book value of company assets.

If the company executes a transaction or several interrelated transactions to acquire shares or other issue-grade securities convertible into shares of a public company which will result in the occurrence of the company's obligation to acquire shares or other issue-grade securities convertible into shares of a public company in accordance with Chapter XI.1 hereof, the price of all shares or other issue-grade securities convertible into shares which may be acquired by the company under such transactions in accordance with Chapter XI.1 hereof shall be compared with the book value of company assets.

(Clause 1.1 introduced by Federal Law No. 343-FZ, dated 3 July 2016)

2. For the general meeting of company shareholders to make a decision on the approval of a major transaction, the value of the property or the rights to the results of intellectual activity that are the subject matter of the major transaction shall be determined by the board of directors (supervisory board) of the company in accordance with Article 77 hereof.

The board of directors (supervisory board) of the company shall approve a final statement of the major transaction, which shall contain, among other things, information on the expected consequences for the company's activity as a result of executing the major transaction and an assessment of its feasibility. An opinion on the major transaction shall be included in the information (materials) provided to shareholders when preparing for the general meeting of company shareholders at which the approval or subsequent approval of such major transaction is to be considered.

In the absence of a board of directors (supervisory board) in the company, the opinion on a major transaction shall be approved by the sole executive body of the company.

(Clause 2 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

3. The provisions of this chapter shall not apply:

1) To companies in which 100% of voting shares belong to one person who is at the same time the only person holding the powers of the sole executive body of the company;

2) To transactions associated with the placement or provision of services related to placement (public offering) and/or organisation of placement (public offering) of company shares and company issue-grade securities convertible into shares (except for the conditions regarding determination and payment of remuneration to the person(s) providing the services specified in this subclause);
3) To relations arising in the course of the transfer of the rights to property in the course of company reorganisation, inter alia, under merger agreements and accession agreements;

4) To transactions which the company must execute in accordance with federal laws and/or other legal acts of the Russian Federation, where settlements are made at prices determined in accordance with the procedure established by the Government of the Russian Federation or at the prices and tariffs established by a federal executive body duly authorised by the Government of the Russian Federation as well as to public contracts concluded by the company on terms and conditions that do not differ from those of other public contracts concluded by the company;

5) To transactions related to the acquisition of shares or other issue-grade securities convertible into shares of a public company which are executed on the terms and conditions provided for by a mandatory offer to acquire shares or other issue-grade securities convertible into shares of a public company;

6) To transactions executed on the same terms and conditions as a preliminary agreement when such an agreement contains all details stipulated by Clause 4 of Article 79 hereof, and consent to its conclusion has been obtained in accordance with the procedure stipulated by this chapter (Clause 3 introduced by Federal Law No. 343-FZ, dated 3 July 2016).

4. For the purposes of this Federal Law, transactions that do not exceed the scope of ordinary business activity shall mean any transactions executed in the course of activity conducted by the respective company or other organisations conducting similar activities, regardless of whether such transactions have been executed by this company previously, provided that such transactions do not result in the termination of company activity or in the change of its type or in a material change of its scale. (Clause 4 introduced by Federal Law No. 343-FZ, dated 3 July 2016)

**Article 79. Obtaining approval or subsequent approval of a major transaction**

(as amended by Federal Law No. 343-FZ, dated 3 July 2016)

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. Execution of a major transaction requires the approval of the board of directors (supervisory board) of the company or the general meeting of shareholders in accordance with this article. (Clause 1 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

2. A decision to approve or to give a subsequent approval of a major transaction regarding property whose value amounts to 25 to 50 per cent of the book value of company assets shall be made by all members of the board of directors (supervisory board) of the company unanimously, not including votes of withdrawn members of the board of directors (supervisory board) of the company. (as amended by Federal Law No. 343-FZ, dated 3 July 2016)

Upon failure to reach unanimity of the board of directors (supervisory board) of the company on the approval or subsequent approval of a major transaction, the matter of approval or subsequent approval of the major transaction may be brought for resolution to the general meeting of shareholders by decision of the board of directors (supervisory board) of the company. In this case, the decision on approval or subsequent approval of the major transaction shall be made by the general meeting of shareholders with a majority vote of the shareholders owning voting shares who take part in the general meeting of shareholders. (as amended by Federal Law No. 343-FZ, dated 3 July 2016)

3. A decision on the approval or subsequent approval of a major transaction for property whose value amounts to more than 50 per cent of the book value of company assets shall be made by the general meeting of shareholders with a three-fourths majority vote of the shareholders owning voting shares who take part in the general meeting of shareholders. (as amended by Federal Law No. 343-FZ, dated 3 July 2016)
4. Making of a decision on the approval or subsequent approval of a major transaction for property whose value amounts to more than 50 per cent of the book value of company assets, as determined based on its accounting (financial) reporting data as of the last reporting date, shall fall within the exclusive competence of the general meeting of shareholders and shall not be reserved by the company’s charter to the competence of other company bodies.

The decision on the approval or subsequent approval of a major transaction shall specify the entity(s) that is (are) the party(s) to such transaction, the beneficiary (beneficiaries), the price, the subject matter of the major transaction, and its other material terms or the procedure for their determination.

The decision on the approval of a major transaction does not need to indicate the party to the transaction and the beneficiary if the transaction is executed through bidding and in other cases when the party to such a transaction and the beneficiary cannot be identified by the time when the approval of such a transaction is obtained.

The provisions of Paragraph 3 of this clause shall not apply to the transactions of joint-stock companies included in the list of strategic enterprises and strategic joint-stock companies approved by the Decree of the President of the Russian Federation on the approval the List of Strategic Enterprises and Strategic Joint-Stock Companies and joint-stock companies where at least 50 per cent of shares belong to the Russian Federation and/or which are subject to the special right of the Russian Federation to participate in the management of such company (a 'golden share').

The decision on the approval of a major transaction may also contain an indication of the minimum and maximum parameters of the terms and conditions of such a transaction (the upper limit of the property purchase value or the lower limit of the property sale value) or of the procedure for their determination, approval for the execution of a number of similar transactions, alternative terms and conditions of such a transaction requiring approval, and approval of the major transaction subject to concurrent execution of several transactions.

The decision on approval of a major transaction may indicate the time period during which such a decision is valid. If such a time period is not indicated in the decision, the approval shall be deemed valid for one year from the date of its adoption, except when a different time period arises out of the essence and terms of the major transaction approved by the decision or out of the circumstances in which such an approval was given.

A major transaction may be executed under the suspensive condition of its approval in accordance with the procedure established by this Federal Law.

(Clause 4 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

5. If a major transaction involving property whose value amounts to more than 50 per cent of the book value of company assets as determined based on its accounting (financial) reporting data as of the last reporting date is also an interested-party transaction, and in accordance with this Federal Law the matter of approval of the major transaction has been brought to the general meeting of shareholders (Chapter XI hereof), the resolution on the approval of the major transaction shall be deemed adopted if the number of votes required in accordance with Clause 4 of Article 49 hereof and the majority of the votes of all shareholders owning voting shares and not interested in the transaction who take part in the general meeting of shareholders are cast for it. If a major transaction involving property whose value amounts to 25 to 50 per cent of the book value of company assets, as determined based on its accounting (financial) reporting data as of the last reporting date, is also an interested-party transaction, and in accordance with this Federal Law the matter of the approval of the major transaction has been brought to the general meeting of shareholders (Chapter XI hereof), the decision on approval of the major transaction shall be made in accordance with the procedure set forth in Chapter XI hereof.

(Clause 5 as amended by Federal Law No. 343-FZ, dated 3 July 2016)
dated 16 May 2014, regarding certain issues related to challenging major transactions.

6. A major transaction executed in breach of the procedure for obtaining approval for its execution may be invalidated (Article 173.1 of the Civil Code of the Russian Federation) based on the lawsuit of the company, a member of the board of directors (supervisory board) of the company, or its shareholder(s) holding no less than one per cent in total of the company’s voting shares. The period of limitation under a claim for invalidation of a major transaction shall not be resumed if missed. (Clause 6 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

6.1. The court shall deny claims for the invalidation of a major transaction executed in the absence of proper approval for its execution when at least one of the following circumstances is present:

1) Evidence of subsequent approval of this transaction has been presented by the time of legal proceedings;

2) During the legal proceedings it was not proven that the other party to the transaction knew or should have known that the transaction was a major transaction for the company, and/or that there had been no proper approval of its execution. (Clause 6.1 introduced by Federal Law No. 343-FZ, dated 3 July 2016)


**Article 80. Invalid since 1 July 2016. – Federal Law No. 7-FZ, dated 5 January 2006.**

**Chapter XI. INTEREST IN THE EXECUTION OF A TRANSACTION BY A COMPANY**

**Article 81. Interest in the execution of a transaction by a company**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. An interested-party transaction is a transaction in which a member of the board of directors (supervisory board) of the company, the sole executive body, a member of the collective executive body of the company or of the controlling entity of the company, or of an entity entitled to give the company binding instructions has an interest.

The said persons are recognised as interested in the execution of a transaction by the company if they, their spouses, parents, children, full and half-siblings, adoptive parents or adopted children, and/or entities controlled by them (controlled entities):

Are a party, a beneficiary, an intermediary, or a representative in the transaction;

Are a controlling entity of a legal entity that is a party, a beneficiary, an intermediary, or a representative in the transaction;

Hold offices in the management bodies of a legal entity that is a party, a beneficiary, an intermediary, or a representative in the transaction or offices in the management bodies of the management company of such legal entity.

For the purposes of this chapter, a controlling entity shall mean an entity entitled to dispose, directly or indirectly (via controlled entities), of more than 50 per cent of votes in the supreme management body of the controlled entity or has the right to appoint (select) the sole executive body and/or more than 50 per cent of the collective management body of the controlled entity due to its participation in the controlled entity and/or based on trust management and/or simple partnership and/or surety and/or shareholder and/or other agreements on the exercise of rights certified with the shares (equity) of the controlled organisation. A controlled entity (controlled organisation) shall mean a legal entity under the direct or indirect control of a controlling entity.
For the purposes of this chapter, the Russian Federation, a Russian constituent, or a municipality shall not be regarded as controlling entities.

An interested person in the joint-stock companies included in the list of strategic enterprises and strategic joint-stock companies approved by the Decree of the President of the Russian Federation on the approval of the List of Strategic Enterprises and Strategic Joint-Stock Companies and joint-stock companies where at least 50 per cent of shares belong to the Russian Federation and/or which are subject to the special right of the Russian Federation to participate in the management of such a company (a 'golden share'), other than persons specified in this article, shall also mean a person entitled to dispose, whether directly or indirectly (via controlled entities), of more than 20 per cent of votes in the supreme management body of the controlled organisation or to appoint (elect) the sole executive body and/or more than 20 per cent of members in the collective management body of the controlled organisation.

(Clause 1 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

1.1. A company shall report an interested-party transaction to the members of the board of directors (supervisory board) of the company, the members of the collective executive body of the company, and when all members of the board of directors (supervisory board) of the company are interested, or when its formation is not provided for by the law or by the company charter, to the shareholders in accordance with the procedure established for notification about the general meeting of shareholders, unless a different procedure is provided for by the company charter. A company's charter may provide for the obligation to notify the shareholders along with the members of the board of directors (supervisory board) of the company.

The notification shall be sent no later than fifteen days before the date of the interested-party transaction, unless a different time period is established by the company's charter, and shall indicate the person(s) that is (are) a party(s) or a beneficiary(s) thereto, the price, the subject matter of the transaction, its other material terms or the procedure for their determination, as well as the person(s) interested in the execution of a transaction and the grounds for recognising the person (each of the persons) as interested in the execution of the transaction.

When preparing for the annual general meeting of shareholders of a public company, the persons entitled to participate in the annual general meeting of shareholders shall receive a report on the interested-party transactions executed by the company in the reporting year. This report shall be signed by the sole executive body of the company and approved by the board of directors (supervisory board) of the company, and the accuracy of the data contained therein shall be confirmed by the audit commission (inspector) of the company.

(Clause 1.1 introduced by Federal Law No. 343-FZ, dated 3 July 2016)

ConsultantPlus: note.
Chapter XI shall not apply to individual transactions involving banks and special-purpose financial companies as well as transactions necessary for participation in the purchase and sale of electricity in the wholesale market.

2. The provisions of this chapter shall not apply:

1) To transactions executed in the course of regular business activity of the company, provided that the company has executed similar transactions on an arm's-length basis over a long period of time and on similar terms and conditions, including transactions executed by credit institutions in accordance with Article 5 of Federal Law 'On Banks and Banking Activity';

2) To companies in which 100% of voting shares belong to one person who is at the same time the only person holding the powers of the sole executive body of the company;

3) To transactions in which all owners of company's voting shares are interested in the absence of the interest of other persons, except when the charter of a non-public company provides for a shareholder's right to demand that approval of such a transaction be obtained prior to its execution;
4) To transactions related to the placement,\textit{ inter alia}, by way of subscription, of company shares and company issue-grade securities convertible into its shares;

5) To transactions for the placement of bonds by the company by way of public offering or the acquisition by the company of its outstanding bonds;

6) To transactions for the acquisition or repurchase by the company of its outstanding shares;

7) To relations arising in the course of the transfer of the rights to property in the course of company reorganisation, \textit{inter alia}, under merger agreements and accession agreements;

8) To transactions which the company must execute in accordance with federal laws and/or other legal acts of the Russian Federation, and settlements under which are made at the prices determined in accordance with the procedure established by the Government of the Russian Federation or at the prices and tariffs established by the federal executive authority duly authorised by the Government of the Russian Federation as well as to public contracts concluded by the company on terms and conditions that do not differ from those of other public contracts concluded by the company;

9) To transactions executed in accordance with Clauses 6–8 of Article 8 of Federal Law No. 35-FZ, dated 26 March 2003, 'On the Electric Power Industry';

10) To transactions executed on the same terms and conditions as a preliminary agreement when such agreement contains all details stipulated by Clause 6 of Article 83 hereof, and consent to its execution has been obtained in accordance with the procedure stipulated by this chapter;

11) To transactions executed through or following the results of on-exchange trading, provided that the terms of such trading or participation in it have been preliminarily approved by the board of directors of the company;

12) To transactions for the property with a price or book value not exceeding 0.1 per cent of the book value of company assets based on its accounting (financial) reporting data as of the last reporting date, provided that the amount of such transactions does not exceed the limits established by the Bank of Russia.

(Clauses 2 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

\textbf{Article 82. Information on interest in the execution of a transaction by a company}

(as amended by Federal Law No. 343-FZ, dated 3 July 2016)

1. The persons specified in Paragraph 1 of Clause 1, Article 81 hereof shall provide the company with the following information within two months from the day when they learned or should have learned of the occurrence of the circumstances due to which they may be recognised as interested in the execution of transactions by the company:

1) About the legal entities for which they, their spouses, parents, children, full and half-siblings, adoptive parents or adopted children, and/or their controlled entities are the controlling entities, or to which they are entitled to give binding instructions;

2) About the legal entities in the management bodies of which they, their spouses, parents, children, full and half-siblings, adoptive parents or adopted children, and/or their controlled entities hold offices;

3) About executed or planned transactions known to them where they may be recognised as interested parties.

2. In the event of any change in the data indicated in Subclauses 1 and 2 of Clause 1 of this article, after the company receives the notice stipulated by Clause 1 of this article, the persons specified in Paragraph 1 of Clause 1, Article 81 hereof shall notify the company on changes in such data within 14
days after they learned or should have learned of such changes.

3. The requirements for the sending procedure and the form of the notifications specified in Clauses 1 and 2 of this article shall be established by the Bank of Russia.

4. A company shall communicate the information contained in the notifications received as provided for by Clauses 1 and 2 of this article to the board of directors (supervisory board) of the company, the audit commission (inspector) of the company, and to the company auditor at its request.

Article 83. Execution of an interested-party transaction
(as amended by Federal Law No. 343-FZ, dated 3 July 2016)

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. An interested-party transaction does not require any preliminary approval of its execution.

An interested-party transaction may be approved before its execution by the board of directors (supervisory board) of the company or by the general meeting of shareholders in accordance with this article at the request of the sole executive body, a member of the collective executive body of the company, a member of the board of directors (supervisory board) of the company, or a shareholder(s) holding at least one per cent of the company’s voting shares.

A request to hold a general meeting of shareholders or a meeting of the board of directors (supervisory board) of the company to resolve the matter of the approval of an interested-party transaction shall be sent and reviewed in accordance with the procedure set forth in Article 55 hereof. The board of directors (supervisory board) of a company may refuse satisfaction of a request to hold a general meeting of shareholders or a meeting of the board of directors (supervisory board) of the company on the grounds set forth in Article 55 hereof and also if by the time when the request is being reviewed the decision on the approval of or on the refusal to approve the respective transaction has already been made. The requests may be submitted again no earlier than in three months, unless a shorter period is provided for by the company’s charter.

(Clauses 1 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

2. In the case provided for in Clause 1 of this article, a decision on the approval of an interested-party transaction in a non-public company shall be made by the board of directors (supervisory board) of the company with a majority vote of the directors who are not interested in the transaction, unless a greater number of votes is required under the company’s charter. If the number of non-interested directors is less than the quorum determined by the charter for holding a meeting of the board of directors (supervisory board) of the company, the decision on this matter shall be made at the general meeting of shareholders in accordance with the procedure provided for by Clause 4 hereof.

(as amended by Federal Law No. 343-FZ, dated 3 July 2016)

3. In the case set forth in Clause 1 of this article, the decision on the approval of an interested-party transaction in a public company shall be made by the board of directors (supervisory board) of the company with a majority vote (unless a greater number of votes is required under the company’s charter) of the directors who are not interested in the transaction and who are not and have not been either of the following for one year preceding the making of the decision:

1) A person acting as the sole executive body of the company, *inter alia*, as its manager, a member of the collective executive body of the company, or a person holding offices in the management bodies of the management company of the company;

2) A person whose spouse, parents, children, full and half-siblings, adoptive parents or adopted children are persons holding offices in the management bodies of the management company of the company or in the management company of the company or a person acting as the company manager;

3) A person controlling the company or the management company (manager) to which the
functions of the sole executive body of the company have been assigned or a person entitled to give binding instructions to the company.

(Clauses 3 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

3.1. If the number of directors who are not interested in the execution of a transaction and who meet the requirements established in Clause 3 of this article becomes less than two, unless a greater number of directors forming the quorum for the meeting of the board of directors (supervisory board) of the company on this matter is provided for by the charter of a public company, such a transaction requires approval at the general meeting of shareholders in accordance with the procedure established by Clause 4 of this article.

(Clauses 3.1 introduced by Federal Law No. 343-FZ, dated 3 July 2016)

3.2. A company's charter may specify that all or some interested-party transactions which do not require approval by the general meeting of shareholders in accordance with Clause 4 of this article require approval by the directors who are not interested in the execution of the transaction and who meet both requirements established by Clause 3 of this article and additional criteria established by the company’s charter in the case stipulated by Clause 1 of this article. In this case, the company’s charter shall also stipulate the quorum for holding the meeting of the board of directors (supervisory board) on this matter, which shall not be less than two directors.

If the number of such directors becomes less than the quorum determined by the charter for holding the meeting of the board of directors (supervisory board) of the company on this matter, this decision shall be made at the general meeting of shareholders in accordance with the procedure provided for by Clause 4 of this article.

(Clauses 3.2 introduced by Federal Law No. 343-FZ, dated 3 July 2016)

4. The decision to approve an interested-party transaction shall be made at the general meeting of shareholders with a majority vote of all shareholders holding the company's voting shares who are not interested in the transaction and take part in voting, in the following cases:

If the subject matter of the transaction or several interrelated transactions includes property whose value based on the accounting data (the offer price of the property to be acquired) amounts to at least 10 per cent of the book value of company's assets based on its accounting (financial) reporting data as of the last reporting date, save for the transactions stipulated in Paragraphs 3 and 4 of this clause;

If the transaction or several interrelated transactions involve the sale of ordinary shares amounting to more than two per cent of ordinary shares previously placed by the company and ordinary shares into which previously placed issue-grade securities convertible into shares may be converted, unless the company charter provides for a smaller number of shares;

If the transaction or several interrelated transactions involve the sale of preferred shares amounting to more than two per cent of shares previously placed by the company and shares into which previously placed issue-grade securities convertible into shares may be converted, unless the company’s charter provides for a smaller number of shares.

(Clauses 4 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

4.1. If during the execution by a non-public company of a transaction which requires approval in accordance with Clause 4 of this article all shareholders owning the company's voting shares are recognised as interested, and some such shareholders request the approval of such transaction, provided that such a right has been granted to the shareholder by the company’s charter, this approval shall be given with the majority vote of all shareholders owning the company's voting shares who take part in voting.

If when settling a transaction requiring approval in accordance with Clause 4 of this article all shareholders owning the company's voting shares are recognised as interested, and there is also an interest of another person(s) in the execution of such transaction in accordance with Clause 1 of
Article 81 hereof, the approval of such a transaction shall be given by the majority vote of all shareholders owning the company’s voting shares who take part in voting.

(Clause 4.1 introduced by Federal Law No. 343-FZ, dated 3 July 2016)


6. The decision on the approval of an interested-party transaction shall be governed by the rules stipulated by Clause 4 of Article 79 hereof. Furthermore, the decision on the approval of the transaction shall indicate the person(s) interested in the execution of the transaction and the grounds for recognising the person (each of persons) as interested in the execution of the transaction.

(Clause 6 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

7. For the purpose of making a decision on the approval of an interested-party transaction by the board of directors (supervisory board) of the company and by the general meeting of shareholders, the price of the property or services to be alienated or acquired shall be determined by the board of directors (supervisory board) of the company in accordance with Article 77 hereof.

8. The charter of a non-public company may establish a procedure for approval of interested-party transactions which differs from the procedure established in this chapter or may stipulate that the provisions of Chapter XI hereof do not apply to this company. Such provisions may be provided for by the charter of a non-public company upon its incorporation or upon the introduction of amendments to the company’s charter by resolution of the general meeting of shareholders made unanimously by all shareholders. The exclusion of the said provisions from the company’s charter shall be performed by resolution of the general meeting of shareholders made unanimously by all shareholders.

(Clause 8 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

Article 84. Challenging a transaction that has not been approved
(as amended by Federal Law No. 343-FZ, dated 3 July 2016)

1. If an interested-party transaction has been executed without approval, a member of the board of directors (supervisory board) of the company or its shareholders (shareholder) owning a total of at least one per cent of the company's voting shares shall have the right to demand that the company provide information about the transaction, including documents or other data attesting that the transaction does not infringe upon company interests (inter alia, that it has been executed on terms and conditions that do not differ significantly from the market terms and conditions). Such information shall be provided to the requesting person within no more than 20 days following the receipt of the request.

An interested-party transaction may be invalidated (Clause 2 of Article 174 of the Civil Code of the Russian Federation) based on the lawsuit of the company, a member of the board of directors (supervisory board) of the company, or its shareholder(s) owning a total of at least one per cent of the company’s voting shares, provided that such a transaction has been executed to the detriment of company’s interests, and provided that it has been proven that the other party to the transaction knew or should have known that the transaction was an interested-party transaction for the company and/or that there was no approval of such a transaction. However, the absence of the approval of the transaction shall not constitute grounds for the invalidation of such a transaction.

The period of limitation of action under the claim for invalidation of an interested-party transaction shall not be resumed if missed.

(Clause 1 as amended by Federal Law No. 343-FZ, dated 3 July 2016)

1.1. The detriment to the company’s interests as a result of settling an interested-party transaction shall be assumed, unless proven otherwise, subject to the combination of the following conditions:

1) There is no approval or subsequent approval of the transaction;

2) If the person who filed a lawsuit for the invalidation of the transaction did not receive
information about the challenged transaction at its request in accordance with Clause 1 of this article. (Clause 1.1 introduced by Federal Law No. 343-FZ, dated 3 July 2016)

2. An interested party under the lawsuit of the company or its shareholder shall bear liability to the company in the amount of damages inflicted to the company, regardless of whether the corresponding transaction has been invalidated or not. If several persons bear liability, their liability to the company shall be joint and several. (as amended by Federal Law No. 343-FZ, dated 3 July 2016)

3. If as of the date of execution of an interested-party transaction the person specified in Paragraph 1 of Clause 1, Article 81 hereof has violated their duty to notify the company on the occurrence of the circumstances due to which such a person may be recognised as an interested person in accordance with Article 82 hereof, the guilt of such a person in the infliction of loss to the company by such a transaction shall be presumed. (Clause 3 introduced by Federal Law No. 343-FZ, dated 3 July 2016)

ConsultantPlus: note.
Chapter XI.1 (as amended by Federal Law No. 210, dated 29 June 2015) shall apply to the relations associated with the acquisition of shares and securities convertible into shares of the joint-stock companies that were open joint-stock companies as of 1 September 2014.

Chapter XI.1. ACQUISITION OF MORE THAN 30 PER CENT OF SHARES OF A PUBLIC COMPANY
(introduced by Federal Law No. 7-FZ, dated 5 January 2006)

Article 84.1. Voluntary offer of acquisition of more than 30 per cent of shares of a public company
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. A person intending to acquire more than 30 per cent of the total number of ordinary shares and preferred shares of a public company which grant the right to vote in accordance with Clause 5 of Article 32 hereof, taking into account the shares belonging to that person and its affiliates, may send the public company a public offer addressed to the shareholders owning the shares of the respective categories (types) for the acquisition of their shares (hereinafter also referred to as a 'voluntary offer'). (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

A voluntary offer may also include an offer made to the owners of issue-grade securities convertible into shares specified in Paragraph 1 of this clause to purchase such securities from them.

A voluntary offer shall be deemed made to all owners of the respective securities from the moment of its receipt by a public company. (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. A voluntary offer shall indicate:

The name of the person (entity) sending such a voluntary offer and other information provided for by Clause 3 of this article as well as information on their place of residence or location;

The names of the shareholders of the public company who are the affiliates of the person sending a voluntary offer; (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The number of shares of the public company which belong to the person sending a voluntary offer
and to its affiliates;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The kind, category (type), and quantity of securities to be acquired;

The offered price of the securities to be acquired or the procedure for its determination. If the voluntary offer indicates the procedure for determining the price of the securities acquired, it shall ensure a single price for the acquisition of securities of that kind and category (type) for all their owners;
(as amended by Federal Law No. 220-FZ, dated 24 July 2007)

The time, procedure, and form of payment for the securities to be acquired. The voluntary offer shall provide for payment for the securities to be acquired in cash funds. The voluntary offer may provide for the possibility for the owners of the securities to be acquired to choose the form of payment for the securities to be acquired: in cash funds or in other securities;
(as amended by Federal Law No. 220-FZ, dated 24 July 2007)

The time for accepting the voluntary offer (the time during which an application for the sale of securities shall be received by the person sending the voluntary offer), which cannot be less than 70 days and more than 90 days after the voluntary offer is received by a public company;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Paragraphs 9–10 invalid since 1 July 2016. – Federal Law No. 210-FZ, dated 29 June 2015;

Information about the person sending the voluntary offer to be indicated in the order for securities transfer;

Information about the guarantor providing a bank guarantee in accordance with Clause 5 of this article and about the terms and conditions of the bank guarantee.

If the person sending a voluntary offer is acting for the benefit of third parties, but on its own behalf, the voluntary offer shall also include the name of the person for whose benefit the person sending the voluntary offer is acting. Furthermore, the information mentioned in Paragraphs 2–4 of this clause shall be also provided with respect to the person for whose benefit the person sending the voluntary offer is acting.

A voluntary offer concerning the acquisition of securities traded through on-exchange trading shall contain a mark made by the Bank of Russia on the date of its receipt of a preliminary notice as provided for by Article 84.9 hereof.
(as amended by Federal Laws No. 327-FZ, dated 21 November 2011, and No. 251-FZ, dated 23 July 2013)

3. If the person sending a voluntary offer is a legal entity, the voluntary offer shall also include information about all persons who:

Hold on their own or together with their affiliates at least 20 per cent of the votes in the supreme management body of such a legal entity;

Hold at least 10 per cent of votes in the supreme management body of such a legal entity and are registered in states and territories which grant preferential tax treatment and/or do not provide for information disclosure and provision when performing financial operations (offshore zones). It shall also include information about persons for whose benefit the shares (stakes) of the legal entity registered in an offshore zone are held.

4. A voluntary offer may also indicate other information and conditions which are not stipulated by Clauses 2 and 3 of this article, including the minimum number of securities for which applications for sale should be submitted and the plans of the person sending the voluntary offer with regard to the public company, including its plans for the company employees.
(Clause 4 as amended by Federal Law No. 210-FZ, dated 29 June 2015)
5. A voluntary offer shall have a bank guarantee attached thereto. Such a bank guarantee shall provide for the guarantor's obligation to pay the previous owners of the securities the price of the sold securities in the event that the person sending the voluntary offer fails to pay for the securities to be acquired in due time. This bank guarantee cannot be revoked, nor can it include a requirement that the beneficiaries provide documents not specified in this chapter. Furthermore, the effective period of the bank guarantee shall not expire earlier than in six months after the term of payment for the securities to be acquired, as specified in the voluntary offer, expires.

6. A public offer to acquire shares of a public company, as specified in Clause 1 of this article, as a result of accepting which the person making such a public offer intends to acquire more than 30 per cent of the total amount of shares, including shares belonging to such a person and its affiliates, may be made only in the manner stipulated in this chapter.

(As amended by Federal Law No. 210-FZ, dated 29 June 2015)

An invitation of the said person to make offers for the acquisition of such an amount of shares or an invitation to make offers for the acquisition of such shares without stating their quantity shall not be permitted.

A person sending a voluntary offer shall not be entitled to acquire shares for which such an offer has been made on conditions that differ from the conditions set forth in the voluntary offer until the time set for its acceptance expires.

Execution of transactions in breach of the requirements of this clause shall entail the consequences set forth in Clause 6 of Article 84.3 hereof.

ConsultantPlus: note.
The provisions of this chapter do not apply to the acquisition of shares (stakes) of a bank in accordance with bankruptcy prevention measures (Clause 19 of Article 189.50 of Federal Law No. 127-FZ, dated 26 October 2002).

7. The provisions of this chapter shall not apply:

Upon the acquisition of more than 30 per cent of shares of a joint-stock investment fund incorporated in accordance with Federal Law No. 156-FZ, dated 29 November 2001, 'On Investment Funds';

ConsultantPlus: note.
The provisions of Paragraph 3 of Clause 7, Article 84.1, as worded in Federal Law No. 145-FZ, dated 28 July 2012, shall apply to the legal relations arising out of repurchase contracts concluded by the Central Bank of the Russian Federation before the effective date of the said Law.

Upon acquisition of shares by the Bank of Russia under repurchase contracts in accordance with Federal Law No. 86-FZ, dated 10 July 2002, 'On the Central Bank of the Russian Federation (Bank of Russia)'.

(Clause 7 as amended by Federal Law No. 145-FZ, dated 28 July 2012)

Article 84.2. Mandatory offer to acquire shares of a public company and other issue-grade securities convertible into shares of a public company
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. A person who has acquired more than 30 per cent of the total number of shares of a public company as specified in Clause 1 of Article 84.1 hereof, including shares belonging to such a person and to their affiliates, within 35 days after making the corresponding credit entry on a personal account (depository account) or from the moment when such a person learned or should have learned of the possession of the said amount of such shares on its own or together with their affiliates, shall send the shareholders owning the remaining shares of the respective categories (types) and the owners of issue-grade securities convertible into such shares a public offer to purchase such securities from them ('a
A mandatory offer shall be deemed made to all owners of the respective securities from the moment of its receipt by a public company.

Before the time for accepting a mandatory offer expires, the person sending such a mandatory offer shall not acquire securities for which such a mandatory offer has been made on terms and conditions that differ from those set forth in the mandatory offer.

2. A mandatory offer shall indicate:

The name of the person (entity) sending such a mandatory offer and other information provided for by Clause 3 of Article 84.1 hereof as well as information on their place of residence or location;

The names of the shareholders of the public company that are the affiliates of the person sending the mandatory offer;

The number of shares of the public company, which belong to the person sending the mandatory offer and to its affiliates;

The kind and category (type) of securities to be acquired;

The suggested price of the securities to be acquired or the procedure for determining it (subject to the requirements of Paragraph 6 of Clause 2, Article 84.1 hereof) and its substantiation, including information on the conformity of the suggested price of the securities to be acquired to the requirements of Clause 4 of this article;

The time for accepting the mandatory offer (the time during which an application for the sale of securities must be received by the person sending the mandatory offer), which cannot be less than 70 days and more than 80 days after the mandatory offer is received by the public company;

The time for payment for the securities, which shall not exceed 17 days from the moment of expiry of the time for accepting the mandatory offer;

The procedure and form of payment for the securities;

Information about the person sending the mandatory offer to be indicated in the order for securities transfer;

Information about the guarantor providing a bank guarantee in accordance with Clause 3 of this article and about the terms and conditions of the bank guarantee.

If the market value of the securities is determined by an appraiser, the mandatory offer sent to a public company shall include a copy of the appraiser's report attached thereto on the market value of the securities to be purchased.

The mandatory offer shall contain a mark made by the Bank of Russia on the date of its receipt of a preliminary notice, as provided for by Article 84.9 hereof.
The mandatory offer may also indicate the plans of the person sending the mandatory offer with regard to the public company, including its plans for the company employees.

A mandatory offer shall not contain conditions that are not stipulated by this clause.

3. The mandatory offer shall include a bank guarantee attached thereto, which shall meet the requirements of Clause 5, Article 84.1 hereof.

4. The price of securities acquired on the basis of a mandatory offer shall not be less than their weighted average price determined on the basis of the results of on-exchange trading for the six months preceding the date on which the mandatory offer was sent to the Bank of Russia in accordance with Clauses 1 and 2 of Article 84.9 hereof. If the securities are traded through on-exchange trading of two or more trade organisers, their weighted average price shall be determined on the basis of the results of on-exchange trading of all trade organisers where such securities have been traded for six months or more.

If the securities are not traded through on-exchange trading or have been traded through on-exchange trading for less than six months, the price of securities acquired shall not be less than their market value as determined by an appraiser. The market value of one corresponding share (or other security) shall be appraised.

If within six months preceding the date of sending of a mandatory offer to a public company the person sending the mandatory offer or its affiliates have acquired or assumed an obligation to acquire the corresponding securities, the price of such securities under the mandatory offer shall not be less than the highest price at which the said persons have acquired or assumed an obligation to acquire such securities.

5. A mandatory offer shall provide for payment for the securities to be acquired in cash funds.

A mandatory offer may provide for the possibility for the owners of the securities to be acquired to choose the form of payment for the securities to be acquired: in cash funds or in other securities.

The monetary value of the securities which may be used to pay for the securities acquired shall not exceed their weighted average price determined on the basis of the results of on-exchange trading for the six months preceding the date on which the mandatory offer was sent to the public company, and when such securities are not traded through on-exchange trading or have been traded through on-exchange trading for less than six months, it shall not exceed their market value determined by an appraiser. The documents confirming the monetary value of the said securities shall be attached to the mandatory offer.

6. After acquiring more than 30 per cent of the total amount of shares of a public company, as specified in Clause 1 of this article, and until the date on which a mandatory offer that meets the requirements of this article is sent to the public company, the person specified in Clause 1 of this article and its affiliates shall have the right to vote only with respect to the shares comprising 30 per cent of such shares. The other shares belonging to that person and its affiliates shall not be regarded as voting shares and shall not be counted for the purpose of determining the quorum.

7. The rules of this article shall apply to the acquisition of a part of shares of a public company (as specified in Clause 1 of Article 84.1 hereof) which exceeds 50 or 75 per cent of the total shares of the
public company. In this case, the limitations established in Clause 6 of this article shall only apply to newly acquired shares that exceed the corresponding part.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

8. The requirements of this article shall not apply:

Upon acquisition of shares during the incorporation or reorganisation of a public company or the transformation of non-governmental pension funds which are non-commercial institutions into a public company;
(as amended by Federal Laws No. 410-FZ, dated 28 December 2013; No. 210-FZ, dated 29 June 2015)

Upon acquisition of shares on the basis of a voluntary offer sent previously for the acquisition of all securities of a public company, as provided for by Clause 1 of this article, provided that such a voluntary offer meets the requirements set forth in Clauses 2–5 of this article;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Upon acquisition of shares based on a mandatory offer sent previously;

Upon transfer of shares by a person to its affiliates or upon transfer of shares to a person by its affiliates or as a result of the division of common property by spouses or by way of inheritance;

Upon redemption of a part of shares by the public company;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Upon acquisition of shares as a result of the exercise by the shareholder of a preemptive right to acquire additional shares being placed;

Upon acquisition of shares as a result of their placement by the person indicated in the securities prospectus as the person organising the placement of and/or placing shares, provided that the period of possession of such shares by this person does not exceed six months;

Upon sending of a notice to a public company for the securities owners on their right to request the repurchase of securities in accordance with Article 84.7 hereof;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Upon sending of a request to a public company for the repurchase of securities in accordance with Article 84.8 hereof;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Upon acquisition of shares for the purpose of formation of the assets of a state corporation established on the basis of a federal law by means of a property contribution of the Russian Federation;
(Paragraph introduced by Federal Law No. 89-FZ, dated 7 May 2009)

Upon acquisition of shares as a result of their contribution by the Russian Federation, a constituent of the Russian Federation, or a municipality as an investment in the authorised capital of a public joint-stock company in which the Russian Federation, a constituent of the Russian Federation, or a municipality is or becomes the owner of more than 50 per cent of ordinary shares as a result of such a contribution;
(Paragraph introduced by Federal Law No. 292-FZ, dated 3 November 2010; as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Upon acquisition of shares contributed as payment for additional shares placed through private offering in a public company included in the list of strategic enterprises and strategic joint-stock companies approved by the President of the Russian Federation;
(Paragraph introduced by Federal Law No. 292-FZ, dated 3 November 2010; as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Upon transfer of shares from federal ownership to the ownership of a constituent of the Russian

(Paragraph introduced by Federal Law No. 77-FZ, dated 14 June 2012)

**Article 84.3. Obligations of a public company after receiving a voluntary or mandatory offer.**

**Acceptance of a voluntary or mandatory offer**

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. A voluntary or mandatory offer shall be sent to the designated securities owners via the public company.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

After the public company receives a voluntary or mandatory offer, the board of directors (supervisory board) of the public company shall approve recommendations with respect to such an offer, including an assessment of the offered price of securities to be acquired and the potential change in their market value after the acquisition, an assessment of plans of the person sending a voluntary or mandatory offer with regard to the public company, including its employees.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)


2. Within 15 days following the receipt of a voluntary or mandatory offer, the public company shall send this offer with an indication of the date of its receipt by the company and the recommendations of the board of directors (supervisory board) of the public company to the designated securities owners in accordance with the procedure established by this Federal Law for the notification on holding the general meeting of shareholders or, when bonds convertible into shares are to be acquired, for the notification on holding the general meeting of holders of such bonds.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)


If the charter of a public company indicates a print medium for publishing the notices of the general meeting of shareholders, a voluntary or mandatory offer, along with the recommendations of the board of directors (supervisory board) of the public company, shall be published by such a public company in this print medium within 15 days following the receipt of the voluntary or mandatory offer.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

If the person who sent a mandatory offer submits an appraiser's report on the market value of the securities acquired, the public company, when sending the mandatory offer to the securities owners, shall attach a copy of the valuation summary of the appraiser's report on the market value of the securities to be acquired. A public company shall provide access for the owners of the securities to be acquired to the appraiser's report on the market value of the securities to be acquired in accordance with the procedure established by Clause 2 of Article 91 hereof.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Concurrently with the sending of the voluntary or mandatory offer by the public company to the securities owners, the public company shall also send the recommendations of its board of directors (supervisory board) to the person who made such an offer.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)
The expenses of the public company associated with its performance of the obligations set forth in this clause shall be reimbursed by the person who sent the voluntary or mandatory offer. (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The requirements of this clause on sending and on publishing the recommendations of the board of directors (supervisory board) of a public company shall apply to the public companies in which such a management body has been set up. (Paragraph introduced by Federal Law No. 220-FZ, dated 24 July 2007; as amended by Federal Law No. 210-FZ, dated 29 June 2015)

3. After sending the voluntary or mandatory offer to the public company, the person who sent such an offer shall have the right to communicate the information about this offer to the respective owners of securities in any other manner. However, the scope and content of such information shall be consistent with the scope and content of the information included in the voluntary or mandatory offer. (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

4. The securities owners to whom the voluntary or mandatory offer is addressed to may accept it by submitting an application for the sale of securities in accordance with the procedure established by Clauses 4.1 and 4.2 of this article. An application for the sale of securities shall indicate information that enables the identification of the securities owner and the kind, category (type), and quantity of securities which their owner agrees to sell to the person who sent the voluntary or mandatory offer as well as the selected form of their payment. An application for the sale of shares based on a voluntary offer may also indicate the minimum number of shares which the shareholder agrees to sell in the case stipulated by Clause 5 of this article.

The owner of the securities to be sold or the nominal holder registered in the register of shareholders of the public company shall provide the registrar of the public company with information on the personal account or the depository account to which the securities used as payment are to be credited, when payment for the securities to be sold with other securities has been selected as the form of payment. Such information shall be received by the registrar of the public company before or on the expiry day of the period for acceptance of the voluntary or mandatory offer. (Clause 4 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

4.1. The application of a securities owner who has been registered in the register of shareholders of the public company for the sale of securities shall be submitted to the registrar of the public company in accordance with the procedure established in Clause 3 of Article 76 hereof for submitting a request for the repurchase of shares by the company. The securities owner shall have the right to revoke its application for the sale of securities before the expiry of the period for acceptance of the voluntary or mandatory offer, inter alia, if the securities owner sends an application for the sale of such securities to a person who has sent a competing offer, as provided for by Article 84.5 hereof. In this case, the application for the sale of securities shall be revoked in the manner described in this article.

From the day when the company registrar receives an application for the sale of securities from the securities owner registered in the register of shareholders until the day a record is made of the transfer of the rights to the securities sold to the person who sent the voluntary or mandatory offer or until the day when the revocation of such application is received, the owner of such securities shall not be entitled to dispose of them, to pledge them, or to otherwise encumber them, and a record of the establishment of such a restriction shall be made by the company registrar without the securities owner’s order on the account where the owner’s rights to the securities are recorded. (Clause 4.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

4.2. The application of a securities owner who is not registered in the register of shareholders for the sale of securities or the revocation of such an application shall be sent in accordance with the procedure established in Clause 3.1 of Article 76 hereof for submitting a request for the repurchase of shares by the company.

From the day when the nominal holder receives an application for the sale of securities from the
securities owner until the day a record is made of the transfer of the rights to such securities to the person who sent the voluntary or mandatory offer on the account of the said nominal holder or until the day when the nominal holder is informed of the receipt of the revocation of such an application by the company registrar, the owner of such securities shall not be entitled to dispose of them, to pledge them, or to otherwise encumber them, and a record of the establishment of such a restriction shall be made by the nominal holder without the securities owner’s order (instruction) on the account where the owner’s rights to the securities are recorded.

(Claue 4.2 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

4.3. A record on the lifting of restrictions set forth in Clauses 4.1 and 4.2 of this article without the directive (instruction) of the person on whose account such restriction was set shall be made:

1) Concurrently with the record on the transfer of the rights to the securities to be acquired to the person who made the voluntary or mandatory offer;

2) On the day of receipt from the securities owner registered in the register of company shareholders of the revocation of their application for the sale of securities;

3) On the day when the nominal holder receives information that the company registrar received from a securities owner who is not registered in the register of company shareholders the revocation of its application for the sale of securities;

4) Seven business days after the expiry of the period for payment of the securities acquired, if no directive (instruction) to keep the said restrictions in effect has been received from the securities owner.

(Claue 4.3 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

5. All applications for the sale of securities received before the expiry of the period for acceptance of the voluntary or mandatory offer shall be deemed received by the person who sent the voluntary or mandatory offer on the expiry day of the said period. The applications for the sale of securities received by the company registrar before the expiry day of the period for acceptance of the voluntary or mandatory offer shall be transferred to the person who sent the voluntary or mandatory offer. Such applications shall be transferred within no more than two days following the expiry day of the period for acceptance of the voluntary or mandatory offer.

If the total number of shares with regard to which applications for their sale have been submitted exceeds the number of shares which the person sending a voluntary offer intends to acquire, or if the number of shares for which the applications for their sale have been submitted exceeds the number of shares which may be acquired by the person who sent the voluntary or mandatory offer in accordance with the requirements of Federal Law No. 57-FZ, dated 29 April 2008, ‘On the Procedure for Foreign Investments in Business Entities Which Are of Strategic Importance for State Defence and the State Security’, the shares shall be acquired from the shareholders in an amount proportional to the amount of shares indicated in the applications, unless otherwise provided for in the voluntary offer or in the application for the sale of securities.

The information available in the extract from the report delivered to the company, as provided for by Clause 9 of this article, shall be sent by the company registrar to the nominal holders of shares registered in the register of company shareholders within no more than three business days after the company receives the report in accordance with the rules of the Russian laws on securities for the purpose of providing information and materials to entities exercising rights under securities.

(Claue 5 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

6. If a voluntary or mandatory offer or an agreement on the acquisition of securities concluded on the basis of a voluntary or mandatory offer do not meet the requirements of this Federal Law, the previous securities owner may demand that the person who sent the offer compensate for the losses inflicted as a result thereof.

7. The securities owner shall transfer the securities free from any rights of third parties.
7.1. Payment of money in connection with the sale of securities by their owners who are registered in the register of shareholders of a public company shall be effected by way of its transfer to the bank accounts of the company registrar. The obligation of the person who has sent a voluntary or mandatory offer, as specified in this clause, shall be deemed discharged from the date when the money is received by the credit institution with which the bank account of the person entitled to receive such payments is opened, and when this person is the credit institution, to its own account.

The company registrar shall make records on the transfer of the rights to the securities sold to the person who sent the voluntary or mandatory offer on the basis of a report, as specified in Clause 9 of this article, and the documents certifying the performance by the person who sent the voluntary or mandatory offer of the obligation to pay the money or to credit the securities to the seller who is a securities owner registered in the register of company shareholders without the order of the latter.

(Clause 7.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

7.2. Payment of money in connection with the sale of securities by their owners who are not registered in the register of shareholders of a public company shall be effected by way of its transfer to the bank account of a nominal holder of shares who has been registered in the register of shareholders of a public company. The obligation of the person who sent the voluntary or mandatory offer, as specified in this clause, shall be deemed discharged from the date when the money is received by the credit institution with which the bank account of such nominal holder is opened, and when the nominal holder of shares is the credit institution, to its own account.

The record on the transfer of the rights to the securities sold to the person who sent the voluntary or mandatory offer shall be made by the company registrar on the basis of an order of the nominal holder registered in the register of company shareholders and an extract from the report specified in Clause 9 of this article. The nominal holder registered in the register of company shareholders shall give such an order within no more than two business days following the receipt of money or the crediting of securities to the account of such a nominal holder and following the receipt of the extract from the said report. The making of the record specified in this paragraph shall serve as grounds for the making of a corresponding record by the nominal holder on the customer's (depositor's) depository accounts without the directive (instruction) of the latter. The nominal holder registered in the register of company shareholders shall pay the money to its depositors by way of its transfer to their bank accounts or shall credit the securities to its depositors no later than on the next business day following the day when such an order was given.

A nominal holder that is not registered in the register of company shareholders shall pay the money to its depositors by way of its transfer to their bank accounts or shall credit the securities to its depositors no later than on the next business day following the receipt of the money and receipt of information about the number of securities sold from the depository in which the nominal holder is a depositor.

(Claude 7.2 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

8. If securities acquired are not credited to the personal account (depository account) of the person who sent the voluntary or mandatory offer during the time period stipulated in the respective offer, the person who sent the voluntary or mandatory offer may withdraw from the securities acquisition contract unilaterally.

If the person who sent the voluntary or mandatory offer fails to perform the obligation to pay for the securities acquired in due time, the securities owner, at its sole discretion, may submit a demand that the guarantor that issued the bank guarantee to secure performance under the voluntary or mandatory offer pay the price of the securities acquired, attaching documents evidencing that the application for the sale of securities has been sent and documents confirming that a record on the establishment of a restriction on the disposal of the securities with regard to which an application for their sale has been submitted has been made on the account where the securities owner's rights are recorded or on the account of a foreign nominal holder, or may terminate the securities acquisition contract unilaterally.
9. The person who sent the voluntary or mandatory offer shall send a report on the results of acceptance of the respective offer to the public company and to the Bank of Russia within no more than 30 days following the expiry day of the period for acceptance of the voluntary or mandatory offer. The requirements for the report on the results of acceptance of a voluntary or mandatory offer and for the procedure for its submission shall be established by the Bank of Russia.

Article 84.4. Amendment of a voluntary or mandatory offer

1. A person who sent a voluntary or mandatory offer shall have the right to introduce amendments to the offer to increase the price of the securities to be acquired and/or to reduce the period of payment for the securities to be acquired.

If the price for the securities to be acquired is increased on the basis of the voluntary or mandatory offer, a bank guarantee securing the fulfilment of the obligations under such an offer in the full amount with due regard to the increase of the price for the securities to be acquired shall be submitted along with the respective amendments to the voluntary or mandatory offer.

Should the public company receive a competing offer, as provided for by Article 84.5 hereof, the person who sent the voluntary or mandatory offer may extend the time for its acceptance but for no longer than until the period for acceptance of the last competing offer expires.

The amendments introduced to the voluntary or mandatory offer shall be effective for all securities owners, including securities owners who had sent applications for the sale of securities before the offer was changed.

2. If the share of the securities, with regard to which the voluntary or mandatory offer was sent, of the person who sent the offer in question increases or decreases by more than 10 per cent before the time for accepting such an offer expires, taking into account the securities held by its affiliates, as well as in the event of any changes in the details of the person who sent the voluntary or mandatory offer which must be provided in the order to transfer the securities, such a person shall introduce the relevant amendments to the voluntary or mandatory offer.

If amendments are introduced to the voluntary or mandatory offer less than 25 days before the period for acceptance of the offer expires, such a period shall be extended to 25 days.

3. Amendments introduced to a voluntary or mandatory offer shall be communicated to the securities owners and to a person who has sent a competing offer, as per Article 84.5 hereof, in accordance with the procedure established by Clause 2 of Article 84.3 hereof.

Article 84.5. Competing offer

1. After a public company receives a voluntary or mandatory offer, any person shall have the right to send another voluntary offer for the corresponding securities (a 'competing offer'). The competing offer shall be sent to the public company no later than 25 days before the expiry of the period for acceptance of the last of the offers received by the public company previously.

2. The price for the securities to be acquired as specified in the competing offer shall not be less than the price for the securities to be acquired as specified in the voluntary or mandatory offer sent previously. The number of securities to be acquired as specified in the competing offer shall not be less than the number of securities to be acquired as specified in the voluntary or mandatory offer sent
previously, or the competing offer shall provide for the acquisition of all securities of the respective kind, category (type).

3. A competing offer sent before the expiry of the period for acceptance of a voluntary offer shall be governed by the requirements of Article 84.1 hereof, and a competing offer sent before the expiry of the period for acceptance of a mandatory offer shall be governed by the requirements of Article 84.2 hereof. Concurrently with the sending of the competing offer to the securities owners, the public company shall also send it to the person who previously sent the voluntary or mandatory offer with which the respective offer received by the public company is competing.

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Article 84.6. Decision-making by the management bodies of a public company after a voluntary or mandatory offer is received
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. After a public company receives a voluntary or mandatory offer, decisions on the following matters shall be made only by the general meeting of shareholders of the public company:

   Increasing the authorised capital of the public company by placing additional shares within the amount and categories (types) of authorised shares;
   (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

   Placement by the public company of securities convertible into shares, including options of the public company;
   (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

   Approval or subsequent approval of a transaction or several interrelated transactions associated with the acquisition, alienation, or possible alienation by the public company, whether directly or indirectly, of property whose value amounts to 10 per cent or more of the book value of the assets of the public company determined on the basis of the data of its accounting (financial) statements as of the last reporting date, unless such transactions are executed in the course of the ordinary business activity of the public company or have been executed before the public company received the voluntary or mandatory offer, or if the public company has received a voluntary or mandatory offer to acquire publicly traded securities until the information about the sending of the respective offer to the public company has been disclosed;
   (as amended by Federal Laws No. 210-FZ, dated 29 June 2015; No. 343-FZ, dated 3 July 2016)

   Approval or subsequent approval of interested-party transactions;
   (as amended by Federal Law No. 343-FZ, dated 3 July 2016)

   Purchase of outstanding shares by the public company in the cases stipulated by this Federal Law;
   (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

   Increasing the remuneration paid to the persons who hold offices in the management bodies of the public company or establishing the terms of the termination of their powers, including assignment or increase of compensations paid to these persons upon termination of their powers.
   (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The restrictions established by this clause shall be terminated upon the expiry of 20 days after the period for acceptance of the voluntary or mandatory offer expires. If before that time the person who acquired more than 30 per cent of the total amount of shares of the public company as specified in Clause 1 of Article 84.1 hereof as a result of the acceptance of the voluntary or mandatory offer, including shares belonging to this person and its affiliates, requests the convening of an extraordinary general meeting of shareholders of the public company whose agenda contains an item on the election of members to the board of directors (supervisory board) of the public company, the restrictions established in this clause shall remain in force until the voting results on the election of members to the
board of directors (supervisory board) of the public company are summed up at the general meeting of shareholders of the public company where such item was considered.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. A transaction executed by a public company in breach of the requirements of Clause 1 of this article may be invalidated under the lawsuit of the public company, a shareholder, or a person sending a voluntary or mandatory offer.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Article 84.7. Buyout of the securities of a public company at the request of their owners by a person who has acquired more than 95 per cent of shares in the public company
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. A person who becomes the owner of more than 95 per cent of the total amount of shares in a public company, as specified in Clause 1 of Article 84.1 hereof, including shares belonging to this person and its affiliates, as a result of a voluntary offer to acquire all securities of the public company, as provided for by Clause 1 of Article 84.2 hereof, or as a result of a mandatory offer, shall buy out other shares of the public company belonging to other persons and issue-grade securities convertible into such shares of the public company at the request of their owners.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

2. The person specified in Clause 1 of this article shall send the securities owners entitled to request the buyout of the securities a notice of such rights within 35 days from the date of acquisition of the respective share of the securities.

The notice of the right to request the buyout of securities shall include the following information:

The name of the person (entity) specified in Clause 1 of this article and other information provided for by Clause 3 of Article 84.1 hereof as well as information on their place of residence or location;

The names of shareholders of the public company who are the affiliates of the person specified in Clause 1 of this article;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The number of shares of the public company belonging to the person specified in Clause 1 of this article and to its affiliates;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The price of the securities to be bought out or the procedure for determining it (with due regard to the requirements of Paragraph 6 of Clause 2, Article 84.1 hereof) and its substantiation, including information on the conformity of the offered price of the securities to be bought out to the requirements of Clause 6 of this article;
(as amended by Federal Law No. 220-FZ, dated 24 July 2007)

The payment procedure for the securities to be acquired;

Paragraph invalid since 1 July 2016. – Federal Law No. 210-FZ, dated 29 June 2015;

Information about the person specified in Clause 1 of this article which must be indicated in the order of securities transfer;

Information about the guarantor providing a bank guarantee in accordance with Clause 3 of this article and the terms and conditions of the bank guarantee.

If the market value of the securities to be bought out is determined by an appraiser, the notice of the right to request the buyout of securities sent to the public company shall include a copy of the appraiser’s report attached thereto on the market value of the securities to be bought out.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)
The notice of the right to request the buyout of securities shall provide for payment for the purchased securities with cash funds.

The notice of the right to request the buyout of securities shall contain a mark made by the Bank of Russia on the date of its receipt of the notice, as provided for by Article 84.9 hereof.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

The notice of the right to request the buyout of securities shall be sent via the company. A notice received by the public company shall be sent to the securities owners in accordance with the procedure established by Clause 2 of Article 84.3 hereof.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

3. The notice shall include a bank guarantee attached thereto which shall meet the requirements of Clause 5, Article 84.1 hereof.

4. The requests of the owners for the purchase of their securities may be submitted within no more than six months after the notices of the right to request the buyout of shares have been sent to them by the public company.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The requests of the owners for the buyout of their securities shall be sent by the owners of these securities to the person specified in Clause 1 of this article along with documents certifying that the securities to be bought out have been debited from the personal account (depository account) of the securities owner for the purpose of their subsequent crediting to the personal account (depository account) of the person specified in Clause 1 of this article.

The requests of the owners for the buyout of their securities shall specify the kind, category (type), and quantity of securities to be purchased.

The securities owner shall transfer the securities free from any rights of third parties.

5. The person specified in Clause 1 of this article shall pay for the securities bought out in accordance with this article within 15 days following the receipt of the documents specified in Clause 4 of this article.

6. The securities shall be bought out at the price determined in accordance with the procedure stipulated by Clause 4 of Article 84.2 hereof. This price shall not be less than:

The price at which such securities were acquired on the basis of the voluntary or mandatory offer as a result of which the person specified in Clause 1 of this article became the owner of more than 95 per cent of the total number of shares in the public company, as specified in Clause 1 of Article 84.1 hereof, including shares belonging to that person and its affiliates;
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The highest price at which the person specified in Clause 1 of this article or its affiliates acquired or undertook to acquire those securities after the expiry of the period for acceptance of the voluntary or mandatory offer as a result of which the person specified in Clause 1 of this article became the owner of more than 95 per cent of the total number of shares in the public company, as specified in Clause 1 of Article 84.1 hereof, including shares belonging to that person and its affiliates.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

7. If the person specified in Clause 1 of this article fails to perform their obligation to pay for the securities to be purchased in due time, the securities owner, at its sole discretion, may submit a demand to the guarantor who issued the bank guarantee as per Clause 3 of this article for the payment of the price of the securities to be purchased, with the attachment of the documents confirming that the request for the buyout of its shares was sent in accordance with the rules of this article and documents confirming that the record on the establishment of a restriction on the disposal of securities with regard to which the request for their buyout was submitted has been made on the account where the
securities owner’s rights are recorded or on the account of a foreign nominal holder.
(Clauses 7 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

8. If the person specified in Clause 1 of this article fails to perform their obligation to send a notice of the right to request the buyout of securities in accordance with Clause 2 of this article, the owner of the securities to be purchased shall have the right to submit a request for the buyout of its securities, along with a copy of the order given to the holder of the register of securities owners to transfer the securities to be purchased to the person specified in Clause 1 of this article. Such a request may be submitted within one year after the securities owner learned of the occurrence of its right to request the repurchase of securities, but only after the period specified in Clause 2 of this article has expired.

After the company registrar receives the aforesaid order from a securities owner registered in the register of company shareholders, the company registrar shall make a record of the limitation of operations associated with the disposal of securities, including their pledge or other encumbrance, on the account where its rights to the securities are recorded.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The person specified in Clause 1 of this article shall pay for the securities to be purchased within 17 days following the receipt of the request for the repurchase of securities.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Within three days after the person specified in Clause 1 of this article submits the documents on payment for the repurchased securities, the registrar shall debit the securities to be purchased from the personal account of the securities owner without its order and shall credit them to the personal account of the person specified in Clause 1 of this article.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The restrictions on the disposal of the said securities by the owner shall be lifted if the person specified in Clause 1 of this article fails to submit documents to the company registrar confirming payment for the securities to be purchased in accordance with the procedure established by this article.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

9. The person specified in Clause 1 of this article, instead of performing its obligations specified in Clauses 1–7 of this article, shall have the right to send the public company a request for the repurchase of securities in accordance with Article 84.8 hereof. In this case, the person specified in Clause 1 of this article shall fulfil the requests of the securities owners to repurchase their securities which have been submitted in accordance with Clause 8 of this article before the person specified in Clause 1 of this article sends the public company a request for the repurchase of securities in accordance with Article 84.8 hereof.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Article 84.8. Repurchase of securities of a public company at the request of the person who has acquired more than 95 per cent of shares in the public company
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. The person specified in Clause 1 of Article 84.7 hereof shall have the right to repurchase the aforesaid securities from the shareholders owning the shares of a public company, specified in Clause 1 of Article 84.1 hereof, and from the owners of issue-grade securities convertible into such shares of a public company.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The person specified in Clause 1 of Article 84.7 hereof shall have the right to send the public company a request for the repurchase of the said securities within six months after the period for acceptance of a voluntary offer to acquire all securities of the public company, as provided for by Clause 1 of Article 84.2 hereof, or the period for acceptance of a mandatory offer expires, if as a result of the acceptance of such a voluntary or mandatory offer no less than 10 per cent of the total amount of shares of the public company specified in Clause 1 of Article 84.1 hereof have been acquired.
The request for the buyout of securities shall be sent to the owners of the securities to be purchased via the public company.

1.1. A person who was the sole shareholder of a public company reorganised through merger or accession and as a result of such reorganisation has become the owner of more than 95 per cent of shares in a public company incorporated by way of reorganisation through merger or in a public company reorganised through accession, including shares belonging to this person and its affiliates, may within five years after such a reorganisation send the public company a voluntary offer to acquire the securities of the public company provided for by Clause 1 of Article 84.1 hereof.

This person may send the public company a request for the repurchase of such shares within six months after the period for acceptance of the voluntary offer specified in Paragraph 1 of this clause expires, if its acceptance results in the acquisition of no less than 50 per cent of the total number of shares of the public company specified in Clause 1 of Article 84.1 hereof not held by this person and its affiliates.

2. The request for the repurchase of securities shall indicate the following:

The name of the person (entity) specified in Clause 1 of this article and other information provided for by Clause 3 of Article 84.1 hereof as well as information on their place of residence or location;

The names of shareholders of the public company who are the affiliates of the person specified in Clause 1 of this article;

The number of shares of the public company belonging to the person specified in Clause 1 of this article and to its affiliates;

The kind and category (type) of securities to be purchased;

The price of the securities to be purchased and information on the conformity of the offered price to the requirements of Clause 4 of this article;

The date as of which the owners of the securities to be purchased are determined (recorded), which shall not be less than 45 days and more than 60 days after the request for the repurchase of securities has been sent to the public company;

The term of payment for the repurchased securities, which shall not exceed 25 days from the day as of which the owners of the securities to be purchased are determined (recorded). If any restriction has been imposed on the securities to be repurchased due to their seizure, the aforesaid term shall start from the day when the person who submitted a request for repurchase learned or should have learned of the lifting of the seizure of such securities;

The information about the notary with whom the funds will be deposited in the cases stipulated by Clauses 7 and 7.1 of this article.

The request for the repurchase of securities shall contain a mark made by the Bank of Russia on the date of its receipt of the preliminary notice provided for by Article 84.9 hereof.

A request for the repurchase of securities sent to a public company shall include a copy of the appraiser’s report attached thereto on the market value of the securities to be repurchased.

3. A request for the repurchase of securities received by the public company shall be sent by the latter to the owners of the securities to be repurchased in the manner stipulated by Clause 2 of
Article 84.3 hereof. If the securities to be repurchased have been pledged or otherwise encumbered, the request for the repurchase of securities shall also be sent to the pledge holder or to the person for whose benefit such encumbrance has been imposed.

(Clauses 3 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

4. The securities shall be repurchased at a price not lower than the market value of the securities to be repurchased, which shall be determined by the appraiser. This price shall not be less than:

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The price at which the securities were acquired on the basis of the voluntary or mandatory offer as a result of which the person specified in Clause 1 of Article 84.7 hereof became the owner of more than 95 per cent of the total number of the shares in the public company specified in Clause 1 of Article 84.1 hereof, including shares held by that person and its affiliates;

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The highest price at which the person specified in Clause 1 of this article or its affiliates acquired or undertook to acquire those securities after the expiry of the period for acceptance of the voluntary or mandatory offer as a result of which the person specified in Clause 1 of Article 84.7 hereof became the owner of more than 95 per cent of the total number of the shares in the public company specified in Clause 1 of Article 84.1 hereof, including shares held by that person and its affiliates;

(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The price at which the securities were acquired on the basis of a voluntary offer in accordance with the provisions of Clause 1.1 of this article, in the event that the securities were purchased by the person specified in Clause 1.1 of this article.

(Paragraph introduced by Federal Law No. 338-FZ, dated 3 July 2016)

Payment for the securities to be purchased shall be made with cash funds only.

A securities owner who does not agree with the price of the repurchased securities may file a lawsuit with the arbitration court for the compensation of loss inflicted by the improper determination of the price of the repurchased securities. Such a lawsuit may be filed within six months from the day when such a securities owner learned of the debiting of the repurchased securities from its personal account (depository account). The filing of the said lawsuit with the arbitration court by the securities owner shall not constitute grounds for suspending the buyout of securities or for its invalidation.

5. As of the end of the operating day on the date as of which the owners of the repurchased securities are determined (recorded), the company registrar and the nominal holders of shares shall make a record on the personal accounts (depository accounts) on the setting of a restriction on the disposal of securities to be purchased without the order (instruction) of the person for whom such a personal account (depository account) has been opened.

The restriction on the disposal of the securities to be purchased shall be lifted if the person specified in Clause 1 of this article fails to submit documents confirming payment for the securities to be purchased in accordance with the procedure established by this article to the company registrar.

(Clauses 5 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

6. The person specified in Clause 1 of this article, if such a person is not registered in the register of company shareholders, shall send the company registrar information enabling the identification of this person and its affiliates, specifying the number of securities accounted in depository accounts, in accordance with the rules established by the Russian laws on securities for the purpose of exercising rights under securities by persons whose rights are recorded by a nominal holder.

(Clauses 6 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

6.1. An owner of securities to be repurchased that is registered in the register of company shareholders may send the company registrar an application containing the details of their bank account where the money for the repurchased securities shall be transferred. This application shall be deemed
received in due time if it has been received by the company registrar before or on the date as of which the owners of the securities to be purchased are determined (recorded) and which is indicated in the request for the repurchase of securities.

(Clauses 6.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

7. The company registrar shall transfer the information on the bank accounts of the owners of securities to be repurchased that are registered in the register of company shareholders, and whose details are available to the company registrar to the person specified in Clause 1 of this article.

The person specified in Clause 1 of this article shall pay the money in connection with the purchase of securities by transferring it to the bank accounts in accordance with the information received from the company registrar. In the absence of such information, the person specified in Clause 1 of this article shall transfer the money for the securities to be purchased to a notary's deposit at the location of the public company. The obligation of the person specified in Clause 1 of this article to pay the money for the securities to be repurchased shall be deemed discharged from the date when the money is received by the credit institution in which the bank account of the person entitled to receive such payments has been opened or in which the notary's bank account has been opened, and when the person entitled to receive such payments is the credit institution, to its own account.

(Clauses 7 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

7.1. The company registrar shall transfer the information on the bank account details of the nominal holders registered in the register of company shareholders, and when such nominal holders are credit institutions, the information on the details of their accounts, to the person specified in Clause 1 of this article.

The person specified in Clause 1 of this article shall pay money in connection with the purchase of securities from owners who are not registered in the register of company shareholders to the nominal holders by way of money transfer to bank accounts in accordance with the information received from the company registrar. In the absence of such information, the person specified in Clause 1 of this article shall transfer the money for the securities to be purchased to a notary's deposit at the location of the public company.

The obligation of the person specified in Clause 1 of this article to pay the money for the securities to be purchased shall be deemed discharged from the date when the money is received by the credit institution in which the nominal holder's or the notary's bank account has been opened, and when the nominal holder of shares is the credit institution, to its own account.

The nominal holders shall pay their depositors the money in connection with the buyout of securities in accordance with the rules established by Clause 7.2 of Article 84.3 hereof.

(Clauses 7.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

8. Within three days after the person specified in Clause 1 of this article submits the documents supporting its payment for the securities to be purchased and the information on the personal accounts (depository accounts) where the rights of such a person and its affiliates for the securities are recorded, the company registrar shall debit the securities to be purchased from the personal accounts of their holders or from the personal accounts of the nominal holders of shares and shall credit them to the personal account of the person specified in Clause 1 of this article.

Such debiting shall be performed by the company registrar without the order of the persons registered in the register of shareholders of the public company. Debiting the repurchased securities from the personal account of the nominal holder of shares in the manner established by this article shall serve as grounds for the making of a record by the nominal holder about the termination of the rights to the respective securities on the customer's (depositor's) depository accounts without the order (instruction) of the latter.

Should any restriction be set on the repurchased securities in the personal account (depository account) due to their seizure, such securities shall be debited after their seizure is lifted.
9. Concurrently with the debiting of repurchased securities that were pledged or otherwise encumbered from the personal account (depository account), such pledge or encumbrance shall be terminated.

(Article 84.9. Government control of the acquisition of shares of a public company
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. A voluntary or mandatory offer concerning the acquisition of securities, a notice of the right to request the buyout of securities as provided for by Article 84.7 hereof, or a request for the repurchase of securities as provided for by Article 84.8 hereof shall be submitted to the Bank of Russia before sending them to a public company (the 'preliminary notice').

At the moment of submission of the said documents, the Bank of Russia shall make a mark with the date of its receipt of the preliminary notice on the copy of the respective document kept by the entity that submitted the said documents.

Upon the expiry of 15 days after the preliminary notice is submitted to the Bank of Russia, the entity intending to submit a voluntary or mandatory offer, a notice of the right to request the buyout of securities as provided for by Article 84.7 hereof, or a request for the repurchase of securities as provided for by Article 84.8 hereof may send the respective offer, notice, or request to the public company, if before the expiry of this period the Bank of Russia does not send an order to bring the offer, notice, or request in line with the requirements of this Federal Law on the grounds specified in Clause 4 of this article.


3. Along with a voluntary or mandatory offer, a notice of the right to request the buyout of securities as provided for by Article 84.7 hereof, or a request for the repurchase of securities as provided for by Article 84.8 hereof, notarised copies of the documents attached to the respective offer, notice, or request as required by this Federal Law shall be submitted to the Bank of Russia.

4. The Bank of Russia shall send the entity, which has submitted the voluntary or mandatory offer, the notice of the right to request the repurchase of securities as provided for by Article 84.7 hereof, or the request for the repurchase of securities as provided for by Article 84.8 hereof, an order to bring such an offer, notice, or request in line with the requirements of this Federal Law in the following cases:

Upon failure to submit the documents required in accordance with this Federal Law for sending a public company the respective offer, notice, or request;

If the offer, notice, or request does not include all information and conditions required by this chapter;

The non-conformity of the procedure for determining the price of the acquired or repurchased securities to the requirements of this Federal Law, inter alia, upon discovery of any manipulation of prices with respect to the acquired or repurchased securities within six months preceding the date when the documents were submitted to the Bank of Russia which resulted in the underpricing of the acquired or repurchased securities.
The order of the Bank of Russia to bring the corresponding offer, notice, or request in line with this Federal Law may be appealed in an arbitration court.

5. The Bank of Russia, if the term for sending the order is missed, may file a lawsuit with the arbitration court at the location of the public company for bringing the corresponding offer, notice, or request in line with the requirements of this Federal Law on the grounds set forth in Clause 4 of this article.

6. Amendments introduced to a voluntary or mandatory offer in accordance with Article 84.4 hereof shall be submitted to the Bank of Russia by the entity introducing such amendments before the date when such amendments are sent to the public company.

7. The Bank of Russia shall establish the requirements for the procedure for submitting the voluntary or mandatory offer, the notice of the right to request the buyout of securities as provided for by Article 84.7 hereof, or the request for the repurchase of securities as provided for by Article 84.8 hereof to the Bank of Russia.


Chapter XII. MONITORING OF THE FINANCIAL AND ECONOMIC ACTIVITY OF A COMPANY

Article 85. Audit Commission (Inspector) of a company

ConsultantPlus: note.
See Article 66.3 of the Civil Code of the Russian Federation regarding the possibility of including a provision on the absence of an audit commission in the charter of a non-public joint-stock company.

1. The general meeting of shareholders shall elect, in accordance with the company’s charter, an audit commission (inspector) of the company to monitor the financial and economic activities of the company. The members of the audit commission or the inspector shall be elected with due regard to the special considerations stipulated by Chapter II hereof.

By a resolution of the general meeting of shareholders, the members of the audit commission (inspector) of the company, while performing their duties, may receive remunerations and/or compensation of their expenses associated with the performance of their duties. The amounts of such remunerations and compensations shall be established by a resolution of the general meeting of shareholders.

2. The competence of the audit commission (inspector) of the company on matters not stipulated by this Federal Law shall be determined by the company’s charter.

The operating procedures of the audit commission (inspector) of the company shall be established by an internal document of the company, which shall be approved by the general meeting of shareholders.

3. The financial and economic activities of the company shall be audited (inspected) based on the results obtained by the company over the year and at any time on the initiative of the audit commission
(inspector) of the company, by resolution of the general meeting of shareholders or the board of directors (supervisory board) of the company, or at the request of a shareholder (shareholders) of the company holding a total of at least 10 per cent of the voting shares of the company.

4. At the request of the audit commission (inspector) of the company, the persons holding offices in the management bodies of the company shall submit documents on the financial and economic activity of the company.

5. The audit commission (inspector) of the company may request the convening of an extraordinary general meeting of shareholders in accordance with Article 55 hereof.

6. Members of the audit commission (inspector) of the company shall not be members of the board of directors (supervisory board) of the company or hold any other positions in the management bodies of the company at the same time.

Shares belonging to the members of the board of directors (supervisory board) of the company or to the persons holding offices in the management bodies of the company shall not take part in voting on the election of members of the audit commission (inspector) of the company.

Article 86. Company auditor

1. The auditor (an individual or an audit organisation) of a company shall audit the financial and economic activity of the company in accordance with the legal acts of the Russian Federation on the basis of a contract concluded with it.

2. The general meeting of shareholders shall approve the company auditor. The amount of its remuneration shall be determined by the board of directors (supervisory board) of the company.

Article 87. Report of the audit commission (inspector) of a company or the company auditor

Based on the results of the financial and economic activity of the company, the audit commission (inspector) of the company or the company auditor shall execute a report which shall include:

Confirmation of the accuracy of the data contained in the reports and in other financial documents of the company;

Information on violations of the accounting procedure and the procedure for submitting accounting (financial) statements, as established by the legal acts of the Russian Federation, as well as on violations of the legal acts of the Russian Federation in the course of financial and economic activity. (as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Chapter XIII. ACCOUNTING AND REPORTING, DOCUMENTS OF A COMPANY. INFORMATION ABOUT A COMPANY

ConsultantPlus: note.
See Federal Law No. 402-FZ, dated 6 December 2011, regarding the requirements for the chief accountant or other official in charge of accounting.

Article 88. Accounting and accounting (financial) statements of the company
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)

1. A company shall maintain accounting and shall submit accounting (financial) statements in accordance with the procedure established by this Federal Law and other legal acts of the Russian Federation.
(as amended by Federal Law No. 210-FZ, dated 29 June 2015)
2. A company's executive body shall be liable for the organisation, state, and accuracy of accounting in the company and the timely presentation of accounting (financial) statements to the relevant authorities as well as information about the company’s activities disclosed to the shareholders, creditors, and media outlets in accordance with this Federal Law, other legal acts of the Russian Federation, and the company’s charter.
(Clause 2 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

3. The accuracy of data contained in the annual report of the company and annual accounting (financial) statements shall be confirmed by the audit commission (inspector) of the company.

A company shall engage an audit organisation not connected by property interests with the company or its shareholders for the annual audit of the annual accounting (financial) statements.
(Clause 3 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

4. The annual report of the company shall be pre-approved by the board of directors (supervisory board) of the company or, if the company has no board of directors (supervisory board), by the person acting as the sole executive body of the company at least 30 days prior to the date of the annual general meeting of shareholders.
(Clause 4 as amended by Federal Law No. 120-FZ, dated 7 August 2001)

Article 89. Safekeeping of company documents

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)

1. A company must store the documents stipulated by this Federal Law and the company’s charter, internal documents of the company, resolutions of the general meeting of shareholders, the board of directors (supervisory board) of the company, and management bodies of the company as well as the documents stipulated by the regulatory legal acts of the Russian Federation.
(Clause 1 as amended by Federal Law No. 233-FZ, dated 29 July 2017)

2. A company shall store the documents stipulated by Clause 1 of this article at the location of its executive body in accordance with the procedure and for the time established by the Bank of Russia.
(as amended by Federal Law No. 251-FZ, dated 23 July 2013)

Article 90. Provision of information by a company

Information about a company shall be provided by the company in accordance with the requirements of this Federal Law and other legal acts of the Russian Federation.

Article 91. Provision of information by a company to shareholders

(as amended by Federal Law No. 233-FZ, dated 29 July 2017)

1. A company shall provide its shareholders at their request with access to the following documents:

1) The founders’ agreement, except when the company was incorporated by a single person, the resolution on the company’s incorporation, and the company’s charter, as well as amendments and supplements introduced to the company’s charter and registered in accordance with the established procedure;

2) The document certifying the state registration of the company;

3) A decision on the issue (additional issue) of securities, amendments to the decision on the issue (additional issue) of securities, the report on the results of the issue (additional issue) of securities, and the notice of the results of the issue (additional issue) of securities;
4) Internal documents of the company approved by the general meeting of shareholders which regulate the activity of its bodies;

5) The regulation on a branch or a representative office of the company;

6) Annual reports;

7) Annual accounting (financial) statements and the auditor's report;

8) Appraiser's reports drawn up in accordance with the requirements of this Federal Law in cases when the company repurchased shares at the shareholder's request;

9) Documents received by the company in accordance with Chapter XI.1 hereof;

10) Minutes of the general meetings of shareholders;

11) Lists of company affiliates;

12) Statements of the audit commission (inspector) of the company;

13) Prospectuses of securities, issuer’s quarterly reports, and other documents containing information which is to be published or otherwise disclosed in accordance with this Federal Law and other federal laws;

14) Notices of the conclusion of shareholders' agreements sent to the company and the lists of persons who signed such agreements;

15) Court rulings and resolutions on disputes associated with the company's incorporation, its management, or participation in it as well as court orders on such disputes, including rulings for the initiation of legal proceedings by the arbitration court and for the acceptance of a lawsuit or a petition for changing the grounds or the subject matter of a lawsuit filed earlier.

2. At the request of a shareholder (shareholders) holding at least one per cent of the company's voting shares, a public company shall provide access to the following information and documents:

1) Information regarding transactions (unilateral transactions) which are major transactions and/or interested-party transactions in accordance with this Federal Law, including the kind, subject matter, scope, and amount of such transactions, the date of their execution, the deadline for the fulfilment of obligations under them, and information on the making of a decision on obtaining the approval or subsequent approval of such transactions;

2) Minutes of meetings of the board of directors (supervisory board) of the company;

3) Appraiser's reports on the appraisal of property with respect to which the company executed transactions classified as major transactions and/or interested-party transactions in accordance with this Federal Law.

3. At the request of a shareholder (shareholders) holding at least one per cent of the company's voting shares, apart from access to the information and documents stipulated by Clause 2 of this article, unless otherwise stipulated by the company charter or by a shareholders' agreement to which all company shareholders are parties, a non-public company shall provide such a shareholder (shareholders) with access to other documents the duty to keep which is stipulated by Clause 1 of Article 89 hereof, except for the documents specified in Clause 5 of this article. The provisions of this clause may be stipulated by the charter of a non-public company during its incorporation or may be included in its charter, amended, and/or excluded from its charter by a resolution adopted at the general meeting of shareholders by all company shareholders unanimously.

4. The request of a shareholder (shareholders) holding less than 25 per cent of a company's voting
shares for the provision of the documents and information stipulated by Clauses 2 and 3 of this article shall indicate the business purpose of the request for documents.

5. At the request of a shareholder (shareholders) holding at least 25 per cent of the company's voting shares, a company shall provide access to the following documents:

1) Minutes of meetings of the collective executive body of the company (management board, directorate);

2) Accounting documents.

6. A company's charter may provide for a smaller amount of shares required to access the documents specified in Clause 5 of this article.

7. The business purpose shall mean the shareholder's lawful interest in obtaining information and documents which are objectively necessary and sufficient for the proper exercise of the shareholder's rights as provided for by this Federal Law. The business purpose shall not be considered reasonable, in particular if:

1) The company has information on actual circumstances evidencing the shareholder's bad faith;

2) There is an unjustified interest in obtaining documents or information on the part of the shareholder;

3) The shareholder is the company's competitor or the competitor's affiliate, and the document requested by such a shareholder contains confidential information relating to the competitive environment, and its distribution may cause harm to the company's commercial interests.

8. A company may deny access to documents and information subject to at least one of the following conditions:

1) An electronic version of the requested document at the moment of submission of the request by the shareholder (shareholders) has been published on the company website with free access or has been disclosed in accordance with the procedure provided for by the Russian laws on securities for information disclosure;

2) The document has been requested more than once within three years, provided that the first request for this document was duly executed by the company;

3) The document relates to past periods of company activity (over three years before the request was submitted), except for information about transactions being performed at the moment of submission of the request by the shareholder;

4) The request for documents submitted by the shareholder(s) does not specify the business purpose of the request for the document, if such a purpose needs to be indicated in accordance with this Federal Law, or this purpose is not reasonable, or the scope and content of the requested documents are obviously out of line with the aim indicated in the request;

5) The person submitting a request for access to a document is not entitled to access the respective category of documents in accordance with the terms and conditions defined in Clauses 1–6 of this article;

6) The document relates to periods other than the period of possession of the company's shares by the shareholder confirmed by this shareholder with a respective statement of its personal account in the register of company shareholders or a statement of its depository account opened with the depository, except for information on transactions being performed during the period of possession of the company shares by the shareholder.
9. If the access to the documents is denied, the exhaustive grounds for such a denial shall be provided.

10. In the case of the use in respect of the company of a special right for the participation of the Russian Federation, a constituent of the Russian Federation, or a municipality in the management of the said company (a ‘golden share’), such a company shall provide the representatives of the Russian Federation, the constituent of the Russian Federation, or the municipality with access to all its documents.

11. The documents stipulated by Clauses 1–3 and 5 of this article shall be made available by the company for review within seven business days following the day of the request in the premises of the executive body of the company, unless a different place is specified in the company’s charter or in an internal document approved by the general meeting or by the board of directors (supervisory board) of the company and published on its official website. At the request of the shareholders entitled to access the documents stipulated by Clauses 1–3 and 5 of this article, the company shall provide them with copies of the said documents. A fee charged by the company for the provision of these copies shall not exceed the costs of their preparation and, if the request indicates the need to send them to the address specified by the shareholder, the expenses for their mailing.

A company's charter or an internal document approved by the general meeting or by the board of directors (supervisory board) of the company may establish the need for prepayment of the expenses stipulated in Paragraph 1 of this clause by the shareholder. Inclusion of a provision on the need for prepayment in the company’s charter cannot be considered grounds for the repurchase of shareholders' shares by the company in accordance with the provisions of Paragraph 3, Clause 1 of Article 75 hereof. If the company’s charter or the internal document includes the provisions specified in this paragraph, the company shall inform the shareholder within seven business days following the receipt of the shareholder's request for the copies of documents of the cost of their preparation and the costs of their mailing in the respective cases.

A public company shall publish the cost of making copies of documents on its website.

Additional requirements for the procedures for providing the documents or copies of documents specified in this clause shall be established by Bank of Russia regulations.

12. The time for discharging the obligation to provide documents containing confidential information shall start after the company and the shareholder who submitted a request for access to the documents sign a non-disclosure agreement (confidentiality agreement). The terms and conditions of the non-disclosure agreement (confidentiality agreement) may be determined by the company in a pre-printed form or in another standard form and shall be uniform for all company shareholders. A public company shall publish the terms and conditions of this agreement on its website. In the event of a group request of shareholders, this agreement shall be signed by each of them, and in the case of granting access to the documents to a shareholder’s representative by proxy, by the shareholder and by its representative.

13. The rules established in this article shall apply to the relations associated with the provision of access for the shareholders of a non-public company to its documents, unless different terms and/or procedure for granting such access, including the time frames and the minimum number of shares required to obtain all or a certain category of documents, are provided for by the charter of the non-public company. The said provisions may be provided for by the charter of a non-public company upon its foundation or may be introduced to, amended, and/or removed from its charter by a resolution adopted at the general meeting of shareholders by all the company’s shareholders unanimously.

**Article 92. Mandatory disclosure of information by a company**

(as amended by Federal Law No. 120-FZ, dated 7 August 2001)
Joint-stock companies included in the forecast privatisation plan (program) shall disclose information in accordance with Order of the Ministry of Economic Development of Russia No. 641, dated 6 October 2016.

1. A public company shall disclose:
   (as amended by Federal Law No. 210-FZ, dated 29 June 2015)
   - The annual report of the company and the annual accounting (financial) statements;
   (as amended by Federal Law No. 210-FZ, dated 29 June 2015)
   - The securities prospectus of the company in the cases provided for by the legal acts of the Russian Federation;
   (as amended by Federal Law No. 264-FZ, dated 4 October 2010)
   - The notice on the holding of the general meeting of shareholders in accordance with the procedure established by this Federal Law;
   - Other information determined by the Bank of Russia.
   (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

1.1. A non-public company with more than fifty shareholders shall disclose the annual report of the company and annual accounting (financial) statements in accordance with the procedure provided for by the Russian laws on securities for information disclosure in the securities market.
   (Clause 1.1 introduced by Federal Law No. 210-FZ, dated 29 June 2015)

2. Mandatory disclosure of information by a company, including a non-public company, in the event of a public offering of its bonds or other securities shall be made in the scope and according to the procedure set forth by the Bank of Russia.
   (as amended by Federal Laws No. 251-FZ, dated 23 July 2013, and No. 210-FZ, dated 29 June 2015)

Article 92.1. Exemption from the obligation to disclose or to provide information provided for by Russian laws on securities

(introduced by Federal Law No. 264-FZ, dated 4 October 2010)

1. A company, based on the resolution of the general meeting of shareholders, shall have the right to submit an application to the Bank of Russia in accordance with the Russian laws on securities for an exemption from the obligation to disclose or to provide information provided for by the Russian laws on securities.
   (as amended by Federal Law No. 251-FZ, dated 23 July 2013)

2. The resolution on the matter stipulated by Clause 1 of this article shall be adopted by the general meeting of shareholders with a three-fourths majority vote of the shareholders holding voting shares who take part in the general meeting of shareholders, and in a public company, with a 95 per cent majority vote of all shareholders owning the company's shares of all categories (types).
   (Clause 2 as amended by Federal Law No. 210-FZ, dated 29 June 2015)

Article 93. Information about a company's affiliates

1. An entity shall be considered an affiliate in accordance with the requirements of the legislation of the Russian Federation.
   (as amended by Federal Law No. 120-FZ, dated 7 August 2001)

2. A company's affiliates shall inform the company in writing about the company shares belonging to them, specifying their amount and categories (types), within no more than 10 days from the date of acquisition of the shares.
3. If as a result of a failure by an affiliated entity to provide such information or its delayed provision pecuniary damage has been caused to the company, the affiliated entity shall be liable to the company in the amount of such inflicted damage.

4. A company shall keep records of its affiliates and provide reports on them in accordance with the requirements of the legislation of the Russian Federation.

**Article 93.1. Notification of a company about the intention to file claims against the company or other persons in court**

(introduced by Federal Law No. 210-FZ, dated 29 June 2015)

ConsultantPlus: note.
See Article 15.19 of the Code of Administrative Offences of the Russian Federation regarding administrative sanctions for default on the obligations set forth in Clauses 1–3 of Article 93.1 of the Law.

1. A shareholder who challenges a resolution of the general meeting of shareholders of the company or a shareholder or member of the board of directors (supervisory board) of the company who request compensation of loss inflicted on the company or invalidation of a transaction of the company or the unwinding of a transaction shall inform other company shareholders in advance of their intention to file the respective lawsuit in court by sending a written notice to the company, such a notice to be received by the company no later than five days before the day of recourse to the court. The notice shall contain the company name, the name of the person who intends to file a lawsuit, the claims of such person, a brief description of the circumstances on which the claims are based, and the court with which the person intends to file the lawsuit. Documents containing information pertaining to the case may be attached to the notice.

If the person registered in the register of company shareholders is a nominal holder of shares, the notice specified in this clause and all documents attached thereto shall be submitted in accordance with the rules of the Russian laws on securities for the provision of information and materials to persons exercising rights under securities. This notice and all documents attached thereto shall be submitted within no more than three days following the receipt of confirmation of the acceptance of the lawsuit for processing by the court.

2. A non-public company, within no more than three days following the receipt of confirmation of the acceptance of the lawsuit specified in Clause 1 hereof for processing by the court, shall communicate the notice specified in Clause 1 of this article and the documents attached thereto to the company’s shareholders registered in the register of company shareholders in accordance with the procedure established for the notification on the general meeting of shareholders, unless a different procedure is provided for by the charter of the non-public company.

3. A public company, within no more than three days following the receipt of confirmation of the acceptance of the lawsuit specified in Clause 1 of this article for processing by the court, unless a shorter period is provided for by the company’s charter, shall publish the notice specified in Clause 1 of this article and all documents attached thereto on the website used by the company for information disclosure and shall disclose information on the acceptance of the said lawsuit for processing by the court in the manner established by the Russian laws on securities for the disclosure of corporate action notices.

**Chapter XIV. FINAL PROVISIONS**

**Article 94. Entry of this Federal Law into force**

1. This Federal Law shall enter into force on 1 January 1996.
2. As soon as this Federal Law has entered into force, the legal acts effective in the territory of the Russian Federation shall apply to the extent that they are not in conflict with this Federal Law until they are brought in line with this Federal Law.

3. The constituent documents of companies which do not comply with the rules of this Federal Law shall apply to the extent that they are not in conflict with the said rules from the moment of enactment of this Federal Law.


On behalf of the Russian Federation, the constituents of the Russian Federation, or municipalities, the shareholders' rights with respect to joint-stock companies whose shares are owned by the said public formations shall be exercised by the respective property management committees, property funds, or other competent government bodies or local authorities, except when the shares of the said joint-stock companies belong to unitary enterprises or institutions for business use or operation control, have been transferred in trust management, or when the management of shares of the said joint-stock companies, in accordance with federal laws, is carried out by state corporations.


5. The companies listed in Clause 4 of Article 1 hereof shall act on the basis of the legal acts of the Russian Federation adopted before the enactment of this Federal Law until the respective federal laws come into force.

6. It is proposed that the President of the Russian Federation bring his legal acts in line with this Federal Law before 1 March 1996.

7. The Government of the Russian Federation is ordered to do the following before 1 March 1996:

   Bring its legal acts in line with this Federal Law;

   Adopt the legal acts for the enforcement of this Federal Law.

President
of the Russian Federation
B. YELTSIN

Moscow, the Kremlin
26 December 1995

No. 208-FZ