

APPROVED:

by resolution of the Annual General Meeting of Shareholders of OAO NOVATEK on June 10, 2005 (Minutes No. 96 as of June 17, 2005) as amended and restated by the Board of Directors on October 31, 2005 (Minutes No. 57 of November 1, 2005), the Board of Directors on August 21, 2006 (Minutes No. 73 as of August 21, 2006), the Extraordinary General Meeting of Shareholders on July 29, 2008 (Minutes No. 104 of July 30, 2008), the Extraordinary General Meeting of Shareholders on October 15, 2009 (Minutes No. 108 as of October 21, 2009), by the Board of Directors on February 5, 2010 (Minutes No. 121 as of February 8, 2010), by the Board of Directors on October 30, 2013 (Minutes No. 162 as of October 31, 2013), the Annual General Meeting of Shareholders on April 18, 2014 (Minutes No. 120 as of April 18, 2014), the Extraordinary General Meeting of Shareholders on September 30, 2016 (Minutes No. 126 as of October 3, 2016)

**ARTICLES OF ASSOCIATION
of Public Joint Stock Company
NOVATEK
(edition 7/1)**

1. GENERAL PROVISIONS

1.1. These Articles of Association were drawn up in accordance with requirements of the Civil Code of the Russian Federation and the RF Federal Law N 208-FZ dated 26 December 1995.

1.2. NOVATEK Public Joint Stock Company, earlier referred to as Joint Stock Company of Open Type Financial and Investment Company "Novafininvest", Open Joint Stock Company Financial and Investment Company "Novafininvest", NOVATEK Open Joint Stock Company, was established in 1994 and registered under the Order of the Oktyabrskiy District Administration of Samara No. 1461 dated 16 August 1994.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

The change of the Company's location from Novokuibyshevsk, Samara Region, to Tarko-Sale, was approved by resolution of the Extraordinary General Meeting of Shareholders on 15 November 2002, Minutes No. 74, and registered by the RF Tax Ministry Inspectorate for Purovsky District, Yamal-Nenets Autonomous Region, on 4 December 2002 under the State Registration Number 2028900859997.

Change of the name from Joint Stock Company of Open Type Financial and Investment Company "Novafininvest" to Open Joint Stock Company Financial and Investment Company "Novafininvest" was approved by resolution of the General Meeting of Shareholders dated March 28, 1996 (Minutes No. 12). Restated Articles of Association reflecting the said amendment were registered by the Order of the Oktyabrskiy District Administration of Samara No. 797 dated May 15, 1996.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

Change of the name Novafininvest Financial and Investment Open Joint-Stock Company to NOVATEK Open Joint-Stock Company was approved by resolution of the Annual General Meeting of Shareholders dated March 7, 2003 (Minutes No. 76). Amendments to the Articles of Association in connection with the change of the Company's name were registered on 18 March 2003 by the RF Tax Ministry Inspectorate for Purovsky District, Yamal-Nenets Autonomous Region, under the State Registration Number 2038901120575.

(A new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

Change of the name NOVATEK Open Joint-Stock Company to NOVATEK Public Company was approved by resolution of the Extraordinary General Meeting of Shareholders dated September 30, 2016 (Minutes No. 126).

(A new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

1.3. The Company's full name in the Russian language shall be: публичное акционерное общество «НОВАТЭК». The Company's brief name in the Russian language shall be: ПАО «НОВАТЭК».

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

The Company's full name in the English language shall be: Public Joint Stock Company NOVATEK. The Company's brief name in the English language shall be: NOVATEK JSC.

1.4. The Company, being a for-profit corporate body is established in the legal corporate form of a joint stock company, shall have the public status, shall exist for an unlimited period of time beginning from the date of its state registration, and have in its ownership separate property

accounted on its independent balance sheet. The Company may, on its own behalf, acquire and exercise property and non-property rights and personal non-property rights, perform obligations, sue and be sued in court.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

1.5. The Company shall have the right to open bank accounts on and beyond the territory of the Russian Federation, issue shares and other securities in the prescribed manner.

1.6. The Company shall have a round seal bearing its full corporate name and location in the Russian language.

The Company shall be entitled to have stamps and letterheads bearing its corporate name, logo, as well as its duly registered trademark and other means of visual identification.

1.7. The Shareholders shall not be liable for the Company's obligations and shall bear the risk of losses arising out of the Company's activities within the value of the shares they hold.

1.8. The Company shall be held liable for its obligations to the extent of all its property.

1.9. The Company shall not be held liable for obligations of its shareholders.

1.10. Company's registered office: Tarko-Sale, Purovsky district, Yamal-Nenets Autonomous Region, Russian Federation.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

2. OBJECTIVES OF THE COMPANY'S BUSINESS

2.1. The Company shall have civil rights and obligations required to carry out any types of activities not prohibited by the Federal Laws. The Company may engage in certain activities as listed in the federal laws under a special permit (license) only. Should such special permit (license) for carrying out certain activities require them to be exclusive, the Company shall not be entitled within the validity period of such special permit (license) to carry out any other activities, except for those provided for by the special permit (license).

2.2. The Company may carry out the following types of activities:

- production and processing of oil, gas and gas condensate;
- selling oil, gas, gas condensate and their refined products;
- development of oil, gas and gas condensate fields and field facilities construction;
- geological study of subsurface resources, exploration and production of oil, gas and gas condensate;
- construction of trunk and interfield oil, gas and petroleum product pipelines;
- maintenance of trunk and interfield oil, gas and petroleum product pipelines;
- working out project documentation for the construction, reconstruction, expansion, technological re-equipment and liquidation of trunk and interfield oil, gas and petroleum product pipelines;
- expert review (including expert opinion) of equipment and materials for the trunk oil, gas and petroleum product pipelines;
- construction of general-purpose motor roads and road maintenance facilities;
- construction engineering;
- transportation of hydrocarbon raw materials through the interfield pipelines;
- construction of gas supply facilities;
- operating facilities of the oil and gas industry and exploration facilities;
- construction of buildings and facilities;
- innovative activities, including development and implementation of advanced technologies, realization of the relevant licenses and transfer of technical documentation;
- commercial and brokerage activities, including such activities at conducting export and import operations;

- entering into agreements for performing the works and services that require cooperation between companies, as well as entering into agreements for performing the functions of a management company in relation to other business entities;
- expert review of innovation programs;
- trust management;
- wholesale trade;
- foreign economic activities in the form of export and import, foreign exchange, credit and financial operations, including in particular raising foreign investments and loans intended for industry modernization and expansion, implementation of advanced technologies, output of new products and participation in the investment projects and innovation programs;
- marketing services;
- conducting operations at a commodity exchange;
- organization of hotel and consumer services, leisure time activities, health and fitness and other types of services;
- conducting brokerage and leasing operations;
- provision of advisory services;
- arrangement of transportation, provision of transportation and car rental services;
- real estate transactions;
- other types of activities.

2.3. The Company shall perform duties related to industrial mobilization training and perform industrial mobilization tasks in accordance with the applicable laws and approved mobilization plans.

2.4. The Company shall perform works related to the use of information which constitutes a state secret being guided by the Russian Federation Law "On State Secret" and other regulatory acts protecting state secrets.

3. SUBSIDIARIES AND AFFILIATES. BRANCHES AND REPRESENTATIVE OFFICES

3.1. The Company may have subsidiaries and affiliates in the Russian Federation enjoying rights of a legal entity and established in accordance with applicable laws of the Russian Federation. The Company may have subsidiaries and affiliates abroad established in accordance with applicable laws of the foreign state where such subsidiary or affiliate is located, unless otherwise is provided for by the RF international treaties.

3.2. The Company may establish branches and open representative offices in the Russian Federation and abroad in compliance with requirements of the applicable law of the foreign state where such branch or representative office is located, unless otherwise is provided for by international treaties of the Russian Federation. The Board of Directors shall resolve on establishing affiliates and representative offices or liquidation thereof in accordance with applicable laws.

3.3. *(The clause is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

4. AUTHORIZED CAPITAL AND SHARES

4.1. The Company's authorized capital is comprised of 303,630,600.00 (Three Hundred and Three Million Six Hundred and Thirty Thousand Six Hundred) Russian Roubles. The authorized capital consists of the nominal value of 3,036,306,000.00 (Three Billion Thirty Six Million Three Hundred and Six Thousand) ordinary registered shares acquired by the shareholders (outstanding shares). The par value of each ordinary registered share is 0.1 Russian Roubles. All the Company's shares are registered shares.

(The clause wording approved by the Board of Directors on August 21, 2006, Minutes No. 73 as of August 21, 2006)

4.2. In addition to outstanding shares, the Company shall be entitled to place 7,557,376,000 (Seven Billion Five Hundred and Fifty-Seven Million Three Hundred and Seventy-Six Thousand) ordinary registered shares with a par value of 0.1 Russian Roubles per share (authorized shares). The Company's additional shares shall confer the same rights as those granted by outstanding shares.

(The clause wording approved by the Board of Directors on August 21, 2006, Minutes No. 73 as of August 21, 2006)

4.3. The Company's authorized capital may be increased by means of increasing the par value of its shares by resolution of the General Meeting of Shareholders or by means of placement of additional shares by resolution of the General Meeting of Shareholders or the Company's Board of Directors, in the events provided for by applicable laws and the Articles of Association.

(The paragraph wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

A resolution to increase the Company's authorized capital via placement of additional shares shall be passed by the Board of Directors unanimously and the votes cast by the retired members of the Board of Directors shall not be counted.

4.4. An increase in the Company's authorized capital via placement of additional shares may be achieved at the expense of the Company's property. An increase in the Company's authorized capital through increasing the par value of its shares shall only be accomplished at the expense of the Company's property.

The amount by which the Company's authorized capital is increased at the expense of the Company's property shall not exceed the difference between the value of the Company's net assets and the sum of the Company's authorized capital and reserve fund.

4.5. The Company's authorized capital may be reduced by decreasing the par value of its shares or the total number of shares, as well as via acquisition by the Company of a part of its shares in the cases provided for by the Federal Law "On Joint-Stock Companies".

4.6. The additional shares placed on subscription may be paid in cash, securities, other assets or property rights or any other rights, which have monetary value. The method of payment for additional shares shall be determined by resolution regarding their placement. Other issuable securities may only be paid in cash.

4.7. The price of placement of additional shares among the Company's shareholders, as they exercise their pre-emptive right to buy shares, may be lower than the placement price for other persons, but not more than by 10 percent.

The price of placement of issuable securities convertible into shares among the Company's shareholders, as they exercise their pre-emptive right to buy shares, may be lower than the placement price for other persons, but not more than by 10 percent.

4.8. The Company shall be entitled to place additional shares and other issuable securities via subscription or conversion. In the event the Company's authorized capital is increased at the expense of its property, the Company shall place additional shares among its Shareholders.

The Company shall be entitled to place its shares and issuable securities convertible into shares on open or closed subscription.

4.9. The Company shall place its shares and issuable securities in compliance with regulatory enactments of the Russian Federation.

4.10. The Company may acquire its outstanding shares by resolution of the General Meeting of Shareholders to decrease the authorized capital through acquisition of a part of the Company's outstanding shares in order to reduce their total number.

4.11. The Company may acquire its outstanding shares by resolution of the Board of Directors, if the nominal value of the Company's outstanding shares constitutes not less than 90 per cent of the Company's authorized capital.

4.12. The shares acquired by the Company shall be paid in cash, securities, other assets, property rights or any other rights which have monetary value agreed by the Parties.

4.13. Restrictions on acquisition of shares by the Company shall be imposed pursuant to Article 73 of the Federal Law "On Joint Stock Companies".

4.14. The Company's shares shall be consolidated or split pursuant to Article 74 of the Federal Law "On Joint Stock Companies".

4.15. The repurchase by the Company of its own shares on shareholders request may be exercised pursuant to Articles 75 and 76 of the Federal Law "On Joint Stock Companies".

5. COMPANY'S FUNDS AND NET ASSETS. COMPANY'S DIVIDENDS

5.1. The Company shall establish a reserve fund, the size of which shall constitute not less than 5 % (five per cent) of its authorized capital.

The Company's reserve fund shall be formed by mandatory annual deductions of 5% of the Company's net profits until it reaches the size specified by this paragraph.

The Company's reserve fund shall be intended solely to cover its losses, redeem the Company's bonds and repurchase its own shares in the absence of other funds available. The Company's reserve fund shall not be used for other purposes.

5.2. The Company is entitled to make decisions (announcements) on paying the dividends on the ordinary registered shares following the results of Q1, H1, nine months of reporting year and (or) following the results of reporting year.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

5.3. A decision to pay dividend shall be passed by the General Meeting of Shareholders in the manner prescribed by article 42 of the Federal Law "On Joint-Stock Companies".

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

5.4. Restrictions on dividend payment shall be set pursuant to article 43 of the Federal Law "On Joint-Stock Companies".

6. BONDS AND OTHER ISSUABLE SECURITIES

6.1. The Company shall be entitled to place its bonds and other issuable securities as provided for by the RF statutory acts on securities.

6.2. The Company shall place its bonds and other issuable securities by resolution of the Board of Directors.

The Company shall place its issuable securities convertible into ordinary shares that may be converted into ordinary shares comprising 25 and less per cent of the Company's ordinary shares placed earlier by resolution of the Board of Directors.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

The Company shall place its issuable securities convertible into ordinary shares that may be converted into ordinary shares comprising more than 25 per cent of the Company's ordinary shares placed earlier by resolution of the General Meeting of Shareholders.

(A new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

6.3. The Company may place bonds with bullet maturity or serial bonds.

The bonds may be redeemed for cash or other property as prescribed by the relevant resolution regarding the bonds issue.

6.4. The Company shall be entitled to place bonds secured by the Company's certain property or bonds against security provided to the Company for the purposes of bonds issue by third parties or unsecured bonds.

6.5. The bonds may be registered or unregistered (bearer bonds).

6.6. Other terms and conditions of the bond issue and procedure for circulation of bonds and the Company's other issuable securities shall be established in accordance with applicable laws.

7. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS – HOLDERS OF ORDINARY SHARES

7.1. Each ordinary share in the Company shall confer upon its holder an equal scope of rights.

7.2. The holders of the Company's ordinary shares may attend the General Meeting of Shareholders and have the right to vote on any matters within its competence, receive dividends and a part of the Company's assets in the event of its liquidation.

7.3. The Shareholders shall be entitled to:

- receive information on the Company's activities, state of its assets and the amount of its losses and profits;
- transfer voting right;
- succeed or sell their shares to the Company or any other person followed by the relevant amendments introduced to the Shareholder Register.

The Company's Shareholders shall have any other rights provided for by the laws and these Articles of Association.

(A new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

7.4. The Shareholders shall:

- keep confidential any information regarding the Company's activities;
- take part in making corporate decisions without which the company may not continue its business activities pursuant to the law, if their participation is required to make such decisions;
- not take any actions that are knowingly intended for causing harm to the Company;
- not take any actions (omission) that render significantly difficult or impossible achievement of the objectives that the Company is established for.

The Shareholders shall have any other obligations provided for by the laws of the Russian Federation.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

8. THE COMPANY'S SHAREHOLDER REGISTER

(The section is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No.126 as of October 3, 2016)

9. MANAGEMENT BODIES

General Meeting of Shareholders

9.1. The General Meeting of Shareholders shall be the Company's highest management body.

The Company shall hold General Meetings of Shareholders annually.

The Annual General Meeting of Shareholders shall be convened within the timeframe set by the Board of Directors, but not earlier than two months and not later than six months after the end of each financial year. Any General Meeting of Shareholders other than the Annual General Meeting of Shareholders shall be deemed extraordinary.

9.2. The following matters shall be deemed to fall within the competence of the General Meeting of Shareholders:

1) introduction of amendments to the Company's Articles of Association or approval of the restated Articles of Association of the Company;

2) reorganization of the Company;

3) winding up of the Company, appointment of a liquidation commission, adoption of interim and final liquidation balance sheets;

4) election of members of the Company's Board of Directors and early termination of their powers;

5) determining the number, par value, class (type) of authorized shares and the rights attaching thereto;

6) increase of the Company's authorized capital through increasing the par value of shares or placing additional shares except when these Articles of Association, in accordance with the Federal Law on Joint Stock Companies, put the increase of the Company's authorized capital into the scope of authority of the Board of Directors;

(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

7) reduction of the Company's authorized capital via decrease of the nominal value of shares, acquisition of a part of the shares to reduce their total number, as well as redemption of the acquired or repurchased shares;

8) election of members of the Company's Revision Commission and early termination of their powers;

9) appointment of the Company's auditor;

10) approval of the Company's annual report and annual accounting (financial) statements;

(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

11) establishing the procedure of conduct of the General Meeting of Shareholders;

12) election of members of the Counting Commission and early termination of their powers;

13) split and consolidation of the Company's shares;

14) making decisions on consent for closing or subsequent approval of transactions in the cases provided for by Article 83 of the Federal Law "On Joint-Stock Companies";

(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

15) making decisions on consent for closing or subsequent approval of major transactions in the cases provided for by article 79 of the Federal Law "On Joint-Stock Companies";

(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

16) acquisition of the Company's outstanding shares in the cases provided for by the Federal Law "On Joint-Stock Companies";

17) making decisions on participation in financial and industrial groups, associations and other commercial organizations;

(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

18) approval of internal documents regulating activity of the Company's bodies;

19) forming the Company's sole executive body and early termination of its powers;

20) payment (declaration) of dividends based on the results of the first quarter, half year and nine months of the reporting year;
(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

20.1) distribution of profit (including payment (declaration) of dividends, except for the payment (declaration) of dividends based on the results of the first quarter, half year and nine months of the reporting year) and loss of the Company based on the results of the reporting year;
(The subclause introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

21) transfer of powers of the sole executive body to a management company or a trustee and termination of their powers;

21.1) making decisions on filing an application to list the Company's shares and (or) issuable securities of the Company convertible into its shares;
(The subclause introduced by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No.120 as of April 18, 2014)

22) resolving on any other matters provided for by the Federal Law "On Joint-Stock Companies".

No matters referred to the competence of the General Meeting of Shareholders shall be delegated to be resolved by the Company's Board of Directors or executive body.

9.3. The General Meeting of Shareholders shall not have the right to consider and make decisions on the matters falling outside of its competence under the Federal Law "On Joint-Stock Companies".

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.4. Resolutions on the matters specified in sub-paragraphs 1-3, 5, 15, 16 and 21.1 of Paragraph 9.2 of this section shall be passed by the General Meeting of Shareholders by a majority of three-fourths of the votes of shareholders holding the voting shares and present at the General Meeting of Shareholders, unless otherwise provided for by the Federal Law "On Joint Stock Companies". A resolution on other matters falling within the competence of the General Meeting of Shareholders shall be passed by a majority vote of the holders of voting shares present at the meeting, unless otherwise provided for by the Federal Law "On Joint-Stock Companies".

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No.126 as of October 3, 2016)

Resolutions on matters specified in Sub-paragraphs 2, 6, 7, 13-18, 20 and 21 of Paragraph 9.2 hereof, shall be adopted by the General Meeting of Shareholders only as advised by the Board of Directors.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

A resolution on the matter specified in sub-paragraph 21.1 of paragraph 9.2 hereof shall enter into force provided that the total number of shares (with respect to which redemption requests have been filed) does not exceed the number of shares which may be redeemed by the Company with due account of the limitation established by paragraph 5 of article 76 of the Federal Law "On Joint Stock Companies".

(a new paragraph introduced by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

9.5. The General Meeting of Shareholders shall not be entitled to pass resolutions on the matters not included in the agenda of the meeting, nor shall they be entitled to change the agenda.

9.6. The resolutions passed by the General Meeting of Shareholders and the voting results may be announced at the General Meeting of Shareholders, at which the voting took place, and shall be notified to the persons included in the list of those entitled to participate in the General Meeting of Shareholders, in form of a voting results report in the manner provided for notification

of the shareholders of the General Meeting of Shareholders no later than four business days following the date of closing the General Meeting of Shareholders or the ballots submission closing date in case of holding the General Meeting of Shareholders through absentee voting.

If a nominee shareholder is registered in the Company's Shareholder Register as of the date of determining (recording) the persons entitled to participate in the General Meeting of Shareholders, the information contained in the voting results report shall be submitted to the nominee shareholder in accordance with the rules of securities laws of the Russian Federation for submitting the information and materials to the persons exercising their securities rights.

(The clause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014, and the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.7. A General Meeting's resolution may be adopted without holding a formal meeting (i.e. without joint attendance by the Shareholders for discussing agenda items and resolving on those put to the vote), but rather by absentee voting.

(The clause approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.8. A notice of the forthcoming General Meeting of Shareholders shall be served at least 20 days prior to holding the meeting, unless any other term is provided for by the laws in force.

Within those time limits, the notice of the forthcoming General Meeting of Shareholders shall be brought to the attention of the persons entitled to participate in the General Meeting of Shareholders and registered in the Company's Shareholder Register by sending registered letters.

Within those time limits, the notice of the forthcoming General Meeting of Shareholders shall be brought to the attention of the persons entitled to participate in the General Meeting by its publishing at the Company's official website in the Internet at (www.novatek.ru).

In case a nominee shareholder is registered in the Company's Shareholder Register, the notice of the General Meeting of Shareholders, as well as the information (materials) to be provided to the persons entitled to participate in the General Meeting of Shareholders, during the preparation to the General Meeting of Shareholders shall be submitted (sent) in accordance with the rules of securities laws for submitting the information and materials to the persons exercising their securities rights.

(The clause wording approved by resolution of the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014, and the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.9. The shareholder(s) holding in aggregate at least 2 % (two percent) of the Company's voting shares shall be entitled to propose items on the agenda of the Annual General Meeting of Shareholders and nominate candidates to the Board of Directors, Revision Commission and Counting Commission, the number of which cannot exceed the number of members of the relevant body. Such proposals shall be submitted to the Company within 60 days following the end of the reporting year.

In case the proposed agenda of Extraordinary General Meeting of Shareholders (EGM) includes an item on electing members of the Company's Board of Directors and/or forming the Company's sole executive body, one or more shareholders holding in aggregate not less than 2 percent of the Company's voting shares shall be entitled to nominate candidates to the Company's Board of Directors whereby their number may not exceed the number of members of the Company's Board of Directors or to nominate a candidate to the Company's sole executive body.

Such proposal shall be received by the Company not less than 30 days before the EGM date.

A proposal to include items on the agenda of a General Meeting of Shareholders shall contain the wording of each item proposed, whereas a proposal regarding the nominees shall state the name and details of identification document (series and (or) number, date and place of issue, issuing authority) of each nominee, the name of the body to which it is nominated for election and

other details required under the Articles of Association or the Company's internal regulations. A proposal to include items on the agenda of a General Meeting of Shareholders may include draft resolutions on each proposed item.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009, and the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.10. The Board of Directors shall consider the received proposals and make a decision on entering them on the agenda of the General Meeting of Shareholders or refuse to include the proposal not later than 5 days following the deadline set by Subparagraph 9.9 hereof. The item proposed by shareholders (shareholder) shall be included in the agenda of the General Meeting of Shareholders, as well as nominated candidates shall be included in the list of candidates to be elected to the Company's relevant body except in cases where:

- shareholder(s) exceeded the term set by Paragraph 9.9. hereof;
- shareholder(s) does(do) not own the required number of the Company's voting shares provided for by Paragraph 9.9. hereof;
- the proposed items do not comply with requirements set out by clause 9.9. hereof;
- the item proposed on the agenda of the General Meeting of Shareholders is beyond its competence and/or does not meet requirements of the Federal Law "On Joint-Stock Companies" and other statutory acts of the Russian Federation.

9.11. A motivated decision of the Company's Board of Directors denying inclusion of any item on the agenda of the General Meeting of Shareholders or inclusion of a candidate in the list of nominees to be elected to the Company's relevant body shall be sent to the shareholder(s), who proposed the item or nominated the candidate, not later than three days following the date of receipt thereof. If those proposals are made to the Company by any persons that are not registered in the Company's Shareholder Register and that have given directions (instructions) to the person accounting their rights to the shares, that decision of the Company's Board of Directors shall be sent to those persons not later than three days from the date it is accepted in accordance with the rules of securities laws of the Russian Federation for submitting the information and materials to the persons exercising their securities rights.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

The Company's Board of Directors shall not be entitled to amend the wording of the items proposed on the agenda of the General Meeting of Shareholders and the wording of resolutions on such items.

9.12. Apart from the items proposed by shareholders on the agenda of the General Meeting of Shareholders and in the absence of such proposals, as well as in the absence of or insufficient number of nominees proposed by the shareholders for forming the relevant body, the Board of Directors shall be entitled to put items on the agenda of the General Meeting of Shareholders or include nominees in the list of nominees at its own discretion.

9.13. In preparing the General Meeting of Shareholders, the Company's Board of Directors shall determine the following:

- form of the General Meeting of Shareholders (joint attendance or absentee voting);
- date, place and time of the forthcoming General Meeting of Shareholders, time of starting the registration of persons participating in the General Meeting, mailing address at which the completed ballots may be forwarded, or in the event the General Meeting of Shareholders is conducted in the form of absentee voting - a deadline for acceptance of completed ballots and the mailing address to which the completed ballots shall be sent;

(The paragraph wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

- date as of which the persons entitled to participate in the General Meeting of Shareholders are determined (recorded);

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- agenda of the General Meeting of Shareholders;
- procedure of notifying the Shareholders of the forthcoming General Meeting of Shareholders;

- list of information (materials) to be submitted to the shareholders while preparing for the forthcoming General Meeting of Shareholders and its provision procedure;

- form and text of the voting ballot in case of ballot voting and wordings of decisions on the items on the agenda of the General Meeting of Shareholders that shall be sent electronically (in the form of electronic documents) to the nominee shareholders registered in the Company's Shareholder Register;

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- a deadline for accepting the shareholders' proposals regarding the nominees to the Company's Board of Directors, if the agenda of the Extraordinary General Meeting of Shareholders contains the item on the election of members of the Company's Board of Directors.

(a new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

The Board of Directors may decide to use telecommunications for providing the shareholders with remote access to participation in the General Meeting of Shareholders by sending filled in ballots by e-mail and/or filling in an electronic form of ballots at a website.

(a new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

In this case the Board of Directors shall determine the e-mail address whereto the filled in ballots may be sent and/or the address of the site in the Internet where the electronic form of ballot may be filled in.

(a new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.14. The Extraordinary General Meeting of Shareholders shall be convened by resolution of the Company's Board of Directors on its own initiative, as well as on request of the Revision Commission, the Company's auditor and the shareholder(s) holding in aggregate not less than 10 % (ten per cent) of the Company's voting shares as of the request date.

The Company's Board of Directors shall not be entitled to amend the wording of items on the agenda, the wording of resolutions on such items or change the proposed form of the Extraordinary General Meeting of Shareholders convened on request of the Revision Commission, the Company's Auditor or shareholder(s) holding in aggregate not less than 10 % (ten per cent) of the Company's voting shares.

The Extraordinary General Meeting of Shareholders convened on request of the persons or bodies authorized to do so shall be conducted within 40 days after the request is made to convene the Extraordinary General Meeting of Shareholders.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

Where the agenda proposed includes the item on election of the Board of Directors' members, the General Meeting shall be convened within 75 days after submission of the request for convocation of the Extraordinary General Meeting of Shareholders. In this case the Company's Board of Directors shall determine the date until which the shareholders' proposals for the nominees for election to the Company's Board of Directors shall be accepted.

(A new paragraph introduced by resolution of the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014, and its wording amended by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

In cases where according to Articles 68-70 of the Federal Law "On Joint Stock-Companies" the Company's Board of Directors is obliged to decide on holding an Extraordinary General Meeting of Shareholders, such General Meeting of Shareholders shall be held within 40 days after the decision to hold it was made by the Company's Board of Directors.

(a new paragraph introduced by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

In cases where, according to the Federal Law "On Joint Stock Companies", the Company's Board of Directors is obliged to decide on holding an Extraordinary General Meeting of Shareholders to elect the members of the Company's Board of Directors, such General Meeting of Shareholders shall be held within 70 days after the decision to hold it was made by the Board of Directors.*(The paragraph wording introduced by resolution of the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014, and its wording amended by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

A request to convene the Extraordinary General Meeting of Shareholders shall include the items proposed on its agenda. The request to convene the Extraordinary General Meeting of Shareholders may contain draft resolutions on each of the proposed agenda items, as well as the proposed form of the Extraordinary General Meeting of Shareholders.

If the request to convene the Extraordinary General Meeting of Shareholders is initiated by a shareholder(s) it shall contain the name of such shareholder(s) requesting to convene the Extraordinary General Meeting of Shareholders, as well as the number, class (type) of the shares it holds. It shall be signed by a person(s) requesting to convene the Extraordinary General Meeting of Shareholders.

A decision to convene or refuse from convening the Extraordinary General Meeting of Shareholders shall be passed by the Company's Board of Directors within 5 days after the request is made. The decision to refuse from convening the Extraordinary General Meeting of Shareholders may be made if:

- the procedure stipulated by the Federal Law "On Joint-Stock Companies" for submitting a request to convene an Extraordinary General Meeting of Shareholders has not been observed;*(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

- the shareholders (shareholder) requesting to convene an Extraordinary General Meeting of Shareholders hold less than 10 percent of the Company's voting shares;

- none of the matters proposed for the agenda of Extraordinary General Meeting of Shareholders falls within its competence and/or complies with the provisions of the Federal Law "On Joint-Stock Companies" and other statutory acts of the Russian Federation.

(The paragraph wording approved by the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

A resolution of the Company's Board of Directors convening the Extraordinary General Meeting of Shareholders or a reasonable resolution to refuse from its convocation shall be forwarded to the persons requesting such convocation not later than 3 days after the day such resolution is passed. If the request to convene the Extraordinary General Meeting of Shareholders is received by the Company from any persons that are not registered in the Company's Shareholder Register and that have given directions (instructions) to the person accounting their rights to the shares, that decision of the Company's Board of Directors shall be sent to those persons not later than three days from the day it is made in accordance with the rules of securities

laws of the Russian Federation for submitting the information and materials to the persons exercising their securities rights.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009, and the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

(the paragraph is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.15. The Counting Committee shall verify credentials and register persons attending the General Meeting of Shareholders, determine if the General Meeting of Shareholders is in quorum, explain matters arising out of exercising by shareholders (or their representatives) of their voting right at the general meeting, clarify the procedure of voting on the items put to the vote, ensure compliance with the established voting procedure and the right of shareholders to take part in voting, count the votes and sum up voting results, draw up minutes on voting results and hand over the voting ballots to the archives.

(the paragraph is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.16. Any shareholder shall have the right to attend the General Meeting of Shareholders personally or through its representative. The shareholder's representative at the General Meeting of Shareholders shall act within the powers provided for by the Federal Laws or Acts of the competent federal or local authorities or under a power of attorney executed in writing under Clauses 3 and 4 of Article 185.1 of the Civil Code of the Russian Federation or notarized.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

If any shares are transferred after the date of compiling the list of shareholders entitled to participate in the General Meeting of Shareholders but before the date of the meeting, a person entered on such list shall issue a power of attorney to the transferee or vote at the General Meeting of Shareholders in accordance with the transferee's instructions, if it is provided for by the share transfer agreement.

(the paragraph wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

9.17. The General Meeting of Shareholders shall be deemed duly constituted, if the shareholders having in aggregate more than a half of the voting rights on the Company's outstanding shares take part in the meeting.

In the absence of quorum required to conduct the Annual General Meeting of Shareholders, an adjourned General Meeting of Shareholders with the same agenda shall be conducted. In the absence of quorum required to conduct the Extraordinary General Meeting of Shareholders, an adjourned Extraordinary General Meeting of Shareholders with the same agenda may be conducted.

An adjourned General Meeting of Shareholders shall be deemed duly constituted, if the shareholders holding in aggregate no less than 30% percent of voting rights on the Company's outstanding shares take part in the meeting.

In holding an adjourned General Meeting of Shareholders in less than 40 days after the invalid General Meeting of Shareholders, the persons entitled to participate in the General Meeting of Shareholders shall be determined in accordance with the list of persons entitled to participate in the invalid General Meeting of Shareholders.

9.18. The voting principle at the General Meeting of Shareholders shall be "one vote per voting share", save for cumulative voting as provided for by the Federal Law "On Joint-Stock Companies".

(The clause wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.19. The voting on agenda items of a General Meeting of Shareholders shall be performed by voting ballots.

The ballot voting shall be equal to the Company's registrar receipt of notices of expression of will of the persons that are entitled to participate in the General Meeting of Shareholders, not registered in the Company's Shareholder Register and that have given directions (instructions) on the voting to the persons accounting their rights to the shares in accordance with the securities laws of the Russian Federation.

If the Board of Directors decides to use telecommunications for providing the remote access to participation in the General Meeting of Shareholders, the voting may held by sending filled in ballots by e-mail or filling in the electronic form of ballots at a website.

The voting ballot shall be sent or served against signature to each person registered in the Company's Shareholder Register and entitled to participate in the General Meeting of Shareholders within the terms provided for by the laws.

The ballots shall be delivered by registered mail.

(The clause wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9.20. The minutes of the General Meeting of Shareholders shall be made in two original copies not later than 3 (three) business days after its closing date. Both original copies shall be signed by the Chairman and the Secretary of the General Meeting of Shareholders.

The minutes of the General Meeting of Shareholders shall be posted on the Company's website in the Internet not later than 2 (two) business days after the minutes have been drawn up.

(The clause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No.120 as of April 18, 2014)

9.21. The General Meeting of Shareholders shall be held in Moscow.

The procedure for holding an Annual General Meeting of Shareholders, Extraordinary General Meetings of Shareholders and other matters not covered by these Articles of Association shall be governed by the Regulations on the General Meeting of Shareholders of the Company adopted by the General Meeting of Shareholders.

(The paragraph wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014, and the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

Board of Directors

9.22. The Board of Directors shall perform overall management of the Company's activities, save for the matters referred by the Federal Law "On Joint-Stock Companies" to the competence of the General Meeting of Shareholders.

(The paragraph wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No.126 as of October 3, 2016)

The competence of the Board of Directors shall include the following matters:

- 1) defining priority lines of the Company's business;
- 2) convening Annual and Extraordinary General Meetings of Shareholders, save the events provided for by Paragraph 8, Article 55 of the Federal Law "On Joint-Stock Companies";
- 3) approving agenda of the General Meeting of Shareholders;
- 4) fixing the date of compiling the list of persons entitled to participate in the General Meeting of Shareholders and other matters referred to the competence of the Company's Board of Directors in accordance with the provisions of Chapter VII of the Federal Law "On Joint-Stock Companies" and related to preparation and conduct of the General Meeting of Shareholders;
- 5) placing by the Company of additional shares into which the Company's placed preferred shares of a certain type, convertible into ordinary shares or preferred shares of other types, are

converted, unless such placement is related to increasing the Company's authorized capital, as well as placing by the Company of bonds and other issuable securities, save for the shares;
(The subclause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No.120 as of April 18, 2014)

6) increase of the Company's authorized capital via placement by the Company by way of public subscription of additional shares comprising not more than 25 per cent of the ordinary shares placed earlier within the number and categories (types) of authorized shares, save as provided for by the laws in force;

(The subclause wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

7) introducing amendments to the Company's Articles of Association as a result of placement of the Company's shares, including amendments related to the increase of the authorized capital;

8) appointment and dismissal of the head of the internal audit structural subdivision and agreeing upon appointment and dismissal of the Corporate Secretary;

(The subclause wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9) determination of price (monetary value) of assets, offering price or procedure of determining it, as well as issued securities redemption price in the cases provided for by the Federal Law "On Joint Stock Companies";

(The subclause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No.120 as of April 18, 2014)

10) acquisition of the Company's outstanding shares, bonds or other securities in the cases provided for by the Federal Law "On Joint Stock Companies" and other federal laws;

(The subclause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No.120 as of April 18, 2014)

11) forming the Company's collegial executive body (Management Board), including determination (change) of its quantitative composition, election and early termination of powers of its members, save the election of chairman of the collegial executive body (Chairman of the Management Board);

(The subclause wording approved by the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

12) recommendations on the amount of remuneration and compensations payable to the members of the Company's Revision Commission and determination of the size of remuneration payable for the Auditor's services;

13) recommendations on the amount of dividend on the shares and its payment procedure;

14) using the Company's Reserve Fund and other funds;

15) approval of the Company's internal documents, save the internal documents which shall be approved by the General Meeting of Shareholders in accordance with the Federal Law "On Joint-Stock Companies", and the Company's other internal documents, which approval is referred by the Articles of Association to the competence of the Company's executive bodies;

16) establishment and liquidation of the Company's branches, opening and closing the Company's representative offices;

17) consent for closing or subsequent approval of transactions in the cases provided for by the Federal Law "On Joint-Stock Companies";

(The subclause wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

18) consent for closing or subsequent approval of the transactions provided for by Chapter XI of the Federal Law "On Joint-Stock Companies";

(The subclause wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No.126 as of October 3, 2016)

19) approval of the Company's registrar and the terms and conditions of the contract with such registrar, renewal and termination of the Contract with it;

20) approval of the Company's long-term and annual business plans, including investment projects approved under subclause 21 hereof;

21) making decisions on new investment projects or expansion of the existing investment projects, including those considered upon approval of the Company's long-term and annual business plans, if the amount of investments exceeds 5 (Five) % of the Company's book value determined based on the Company's accounts as of the last accounts date;

22) making decisions on participation and termination of participation of the Company in other organizations (except for those specified in subclause 19 of Clause 9.2. hereof) including making decisions on acquisition or sale of the Company-owned shares (participation interests) in legal entities, their pledge or creation of any other encumbrances in relation to such shares (participation interests) or consummating any other transactions with such shares (participation interests);

(The subclause wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

23) Making decisions on acquisition, re-issuance of or refusal from licenses for the right to use subsurface mineral resources, including participation in tenders or auctions in accordance with the Subsoil Use Law;

24) consent for closing or subsequent approval of a transaction or several interrelated transactions on direct or indirect acquisition, disposal or possibility of disposal by the Company of any assets (including loans, credits, pledge or security), if the amount of such financing or the value of such assets makes up 5 (five) to 25 (twenty-five) per cent of the Company's assets book value determined based on the Company's accounting statements as of the last reporting date, excluding transactions concluded in the ordinary course of the Company's business and the transactions to be agreed (approved) by the general meeting of shareholders or Board of Directors on other grounds provided for by these Articles of Associations;

(The subclause wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

25) Making decisions on filing an application to list the Company's shares and (or) issuable securities of the Company convertible into its shares;

(The subclause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

26) making decisions on approval of documents pertaining to the issue of additional shares or other issuable securities, including decisions to issue shares or other issuable securities, prospectus for public offering of shares or other issuable securities and reports on results of issuing shares or the Company's other issuable securities;

27) approval of a procedure for compiling, approval, adjustment and supervising implementation of the Company's and its subsidiaries' business plans, as well as capital investments made under such business plans;

28) submitting any major transactions, the amount of which exceeds 25% - 50% of the Company's assets book value in the cases provided for by Chapter X of the Federal Law "On Joint-Stock Companies" for the consideration by the General Meeting of Shareholders;

29) submitting the matters specified in subclauses 2, 6, 7, 10, 13-18, 21 and 21.1 of Clause 9.2 of these Articles of Association for consideration by the General Meeting of Shareholders;

(The subclause wording approved by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

29.1) acceptance of recommendations in relation to voluntary or mandatory offer received by the Company;*(A new subclause introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No.126 as of October 3, 2016)*

30) other issues provided for by the Federal Law "On Joint-Stock Companies" and the Company's Articles of Association.

The matters referred to the competence of the Company's Board of Directors shall not be resolved by the Company's executive body.

The Board of Directors, as advised by the Chairman of the Management Board, shall be entitled to resolve other matters beyond its competence (save for the matters falling within the competence of the General Meeting of Shareholders), when the decisions may have a significant impact on the Company's business.

(A new paragraph introduced by the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

9.23. The General Meeting of Shareholders shall elect 9 members to the Company's Board of Directors.

(The paragraph wording approved by the Extraordinary General Meeting of Shareholders on July 29, 2008, Minutes No. 104 as of July 30, 2008)

The General Meeting of Shareholders shall elect members to the Board of Directors by cumulative voting as provided for by the Federal Law "On Joint-Stock Companies" and the Company's Articles of Association, for the period until the next Annual Meeting of Shareholders.

Persons elected to the Board of Directors may be re-elected an unlimited number of times. An individual (physical person) only may become a member of the Board of Directors.

The powers of all members of the Board of Directors may be early terminated if so resolved by the General Meeting of Shareholders.

A member of the Board of Directors may at any time voluntarily retire from its responsibilities by giving a prior notice thereof in writing to the other members of the Board of Directors. In this case, the Board of Directors shall convene the General Meeting of Shareholders, which shall early terminate the powers of all the members of the Board of Directors and elect the new members of the Board of Directors.

9.24. Should the number of members of the Company's Board of Directors become less than the number required to achieve a quorum set by the Company's Articles of Association, the Board of Directors shall convene an Extraordinary General Meeting of Shareholders in order to elect the new composition of the Board of Directors. The remaining members of the Company's Board of Directors shall only be entitled to adopt resolutions convening such Extraordinary General Meeting of Shareholders.

9.25. The Chairman of the Board of Directors shall be elected by and from among the members of the Board of Directors by a majority of votes of the total number of the members of the Board of Directors.

The Board of Directors may at any time re-elect its Chairman by a majority of votes of the total number of members of the Board of Directors.

Chairman of the Board of Directors shall:

arrange the work of the Company's Board of Directors;

convene the meetings of the Board of Directors, preside at such meetings or organize absentee voting;

organize taking of Minutes at the meetings;

preside at the General Meeting of Shareholders;

9.26. In the absence of Chairman of the Board of Directors, its functions shall be performed by one of the members of the Board of Directors according to the resolution of the Board of Directors passed by a majority of votes of its members attending the meeting.

9.27. The meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors on its own initiative or on request of any member of the Board of Directors, the Revision Commission, the Company's auditor, the executive body or shareholders holding in aggregate not less than 10% of the Company's voting shares. The Meetings of the Board of Directors shall be conducted when appropriate, but not less than once every three months.

The notification regarding the meeting of the Board of Directors shall be made in writing and delivered to each member of the Board of Directors by electronic means of communication (e-mail, fax) no later than 7 days before the date of the meeting of the Board of Directors, unless all the members of the Board of Directors approve a shorter term in writing.

(The paragraph wording approved by the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 of October 21, 2009)

The notification shall contain the date, time and venue of the meeting of the Board of Directors and its agenda specifying in detail the items submitted for the meeting consideration together with copies of the relevant documents to be approved by the meeting.

(The paragraph wording approved by the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 of October 21, 2009)

The Board of Directors may not consider items not included in the notification regarding the meeting, nor shall they consider the items included therein but not provided with the enclosed copies of the documents to be considered in respect of such items, unless all the members of the Board of Directors unanimously resolve to consider such items at the meeting of the Board of Directors.

9.28. The meeting shall be deemed duly constituted if it is attended by not less than a half of the elected members of the Board of Directors. In determining the quorum and results of voting on the agenda items, a written opinion of the absent members of the Board of Directors shall be taken into account.

9.29. In making decisions at the meeting of the Board of Directors, each member of the Board of Directors shall have one vote. The members of the Board of Directors shall not transfer their votes to other persons, including other members of the Board of Directors.

9.30. The resolutions of the Board of Directors on the matters specified in subclauses 1, 5, 6, 9-11, 19, 21-29 of Clause 9.22 hereof shall be passed by the Board of Directors, if 8 (eight) Directors cast their votes for such resolution.

(The paragraph wording approved by the Extraordinary General Meeting of Shareholders on July 29, 2008, Minutes No. 104 as of July 30, 2008)

The resolutions of the Board of Directors of the Company on the matters specified in subclauses 13, 15 (regarding the Company's dividend policy), 20 and 29.1 of Clause 9.22 shall be adopted by the Board of Directors, if a majority of all elected Directors cast their votes for such resolution.

(a new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

The resolutions on any other matters of the Meeting of the Board of Directors shall be passed by a simple majority of votes of the members of the Board of Directors attending the meeting, unless otherwise provided for by the Federal Law "On Joint-Stock Companies".

The resolution on the matter specified in subclause 11 of Clause 9.22 in terms of determination (change) of the quantitative composition of the Management Board and election of its members shall be passed by the Board of Directors solely on request of the Chairman of the Management Board.

(A new paragraph introduced by the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

9.31. Should the Chairman of the Board of Directors be unable to conduct the meeting of the Board of Directors in the form of joint attendance, it shall be entitled to conduct absentee voting to resolve certain issues.

9.32. The minutes shall be kept at the meeting of the Board of Directors, and shall be drawn up within 3 days following its date. The minutes shall contain the following:

- venue and time of the meeting;
- persons attending the meeting;
- agenda of the meeting;

- items put to the vote and voting results;
- resolutions passed.

9.33. The minutes of the meeting of the Board of Directors shall be signed by its Chairman who is responsible for the correctness of the minutes.

9.34. During the period of exercising their duties the members of the Board of Directors may be paid a remuneration and/or receive compensation of any expenses related to performance of their functions as members of the Board of Directors. The size of such remuneration and compensation shall be determined by resolution of the General Meeting of Shareholders.

9.35. The members of the Board of Directors shall be liable to the Company for any losses caused to the Company through their faulty actions (or omission), unless other basis and scope of liability are established by federal laws.

**Sole and Collegial Executive Body
(Chairman of the Management Board and Management Board)**

9.36. The management of the Company's day-to-day operations shall be carried out by the Company's sole executive body (Chairman of the Management Board) and collegial executive body (Management Board). The Chairman of the Management Board and the Management Board shall be subordinated to the Board of Directors and the General Meeting of Shareholders.

The Chairman of the Management Board shall head the Management Board, organize its work and its meetings, as well as implementation of resolutions passed by the General Meetings of Shareholders and the meetings of the Board of Directors.

9.37. By resolution of the General Meeting of Shareholders, the powers of the Company's sole executive body (Chairman of the Management Board) may be delegated to a commercial organization (Management Company) or individual entrepreneur (Manager) under a contract. A resolution to delegate the powers of the Company's sole executive body to a management company or administrator shall be adopted at the General Meeting of Shareholders as advised by the Board of Directors only.

9.38. The competence of the Chairman of the Management Board shall include the management of all matters on the Company's day-to-day operations, excluding those falling within the sole competence of the General Meeting of Shareholders and the Company's Board of Directors.

9.39. The Chairman of the Management Board shall without the Power of Attorney act on behalf of the Company and:

- manage the Company's day-to-day operations;
- represent the Company's interests inside and outside of the Russian Federation;
- administer the Company's assets and funds and consummate transactions on behalf of the Company. The Chairman of the Management Board shall be entitled to consummate transactions that require approval by the General Meeting of Shareholders or the Board of Directors only after the relevant decision is passed by the General Meeting of Shareholders or the Board of Directors;
- approve the staff schedule, regulations of the Company's structural subdivisions, job descriptions and wages for all the positions included into the staff schedule;
- issue orders and give instructions obligatory for all the Company's employees;
- organize the Company's bookkeeping and accounting;
- control the due receipt of funds and compliance of any spending with the Company's annual business-plan;
- have the primary authority to sign financial documents;
- enter into labor contracts with the Company's employees, apply punishment or incentive measures;
- issue powers of attorney on behalf of the Company;
- prepare and submit for approval by the Board of Directors any resolutions to issue shares, offering memorandums and reports on results of securities issue;

- open the Company's bank accounts;
- appoint persons representing the Company at the Meetings of Shareholders (participants) of the companies whose shares are owned by the Company;
- submit to the Company's Board of Directors proposals on the personal and quantitative composition of the Management Board;
- submit for the consideration of the Board of Directors the matters that do not fall within the competence of the Board of Directors (save the matters falling within the competence of the General Meeting) but may have a significant impact on the Company's business.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

9.40. The Chairman of the Management Board and their First Deputy shall issue powers of attorney to act on behalf of the Company.

9.41. The Chairman of the Management Board at its own discretion may present any issue for consideration by the Management Board meeting within his competence in order to make a collegial decision.

9.42. The Chairman of the Management Board shall be elected by the General Meeting of Shareholders for the period of five years and may be re-elected an unlimited number of times.

9.43. The rights and obligations, as well as the term and amount of remuneration of the Chairman of the Management Board shall be determined by the Federal Law "On Joint Stock Companies", other legal acts of the Russian Federation and by an agreement entered into with the Company. The agreement on behalf of the Company shall be signed by the Chairman of the Board of Directors or a person duly authorized to do so by the Company's Board of Directors.

9.44. The General Meeting of Shareholders may at any time pass a resolution on early termination of powers of the Chairman of the Management Board and decide to form a new sole executive body.

9.45. The Board of Directors shall resolve the matters on forming the Management Board, including determination of its quantitative composition and election of its members, save the Chairman of the Management Board who is represented on the Management Board by virtue of his position.

Decisions to determine (change) the number or elect members of the Management Board shall be made by the Board of Directors solely as advised by Chairman of the Management Board.

The Management Board members shall be elected for the period of 5 years.

The powers of any Management Board member may be terminated ahead of time by resolution of the Board of Directors. In this case, a new member may be elected to the existing composition of the Management Board to replace the previous one whose powers were terminated earlier.

The Board of Directors may resolve to increase the number of members of the Management Board and elect new members of the Management Board.

The term of powers of the new Management Board members elected instead of those whose powers were terminated earlier or those elected in connection with an increase in the number of members of the Management Board shall cease simultaneously with the tenure of the remaining members of the Management Board.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

9.46. The rights and obligations of the members of the Management Board to carry out the Company's day-to-day operations shall be determined by the Federal Law "On Joint Stock Companies", these Articles of Association, the Regulation on the Management Board and the agreement between the Company and any member of the Management Board. On behalf of the Company the agreement shall be signed by the Chairman of the Board of Directors or a person duly authorized by the Board of Directors.

9.47. The competence of the Management Board shall include:

1) identifying perspective lines of the Company's development in accordance with priority lines of the Company's business determined by the Board of Directors;

2) preparation and submission to the Board of Directors of long-term (for the period of 5 years) consolidated and annual business plans, annual reports, annual balance sheets, profit and loss statements and the Company's other year-end reporting;

3) approval of the subsidiaries' and affiliates' annual and long-term business plans;

4) approval of annual reports, annual accounting (financial) statements, annual balance sheets, profit and loss statements and other annual accounts of the Company's subsidiaries and affiliates;

(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

5) summing up the performance results of the Company's business plan;

6) approval of the performance results of the subsidiaries' and affiliates' business plans;

7) implementation of personnel policy in the Company, its subsidiaries, sole executive bodies, deputy sole executive bodies and chief accountants of the Company's subsidiaries, as well as nomination of candidates to the subsidiaries' management bodies (including the board of directors, management board and revision commission);

(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

8) analyzing and summing up the performance results of the Company's structural subdivisions, as well as working out recommendations on improvement of their performance;

9) organizing implementation of resolutions passed by the General Meeting of Shareholders and the Board of Directors;

10) making decisions to submit claims in the capacity of a shareholder (participant) of the Company's subsidiary;

11) approving the articles of association of the newly established subsidiary companies and new editions of the subsidiaries' articles of association, introducing amendments to the articles of association of the subsidiary companies;

(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

12) passing resolutions on reorganization or liquidation of the Company's subsidiaries, as well as increase of their authorized capital;

13) approving related party and major transactions consummated by the Company's subsidiaries that require consent for consummation or subsequent approval by the subsidiaries' supreme management bodies, excluding transactions consummated by the subsidiaries by and between themselves and with the Company;

(The subclause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

14) approval of the subsidiaries' auditors;

15) making decisions to transfer the powers of the sole executive bodies of the subsidiaries to a managing company or administrator and decisions to terminate the powers of the subsidiaries' sole executive bodies;

16) passing resolutions on acquisition or disposal by the subsidiaries of any shares (participation interests) in legal entities, their pledge or creation of other encumbrances in relation to such shares (participation interests) or consummation of any other transactions with such shares (participation interests);

17) making decisions on the subsidiaries' new investment projects or expansion of the existing investment projects, including those considered upon approval of the subsidiaries' long-term and annual business plans, if the amount of investments exceeds 5 (Five) % of the subsidiary's book value determined based on its accounts as of the last accounts date;

18) approval of a transaction or several interrelated transactions on direct or indirect acquisition, disposal or possibility of disposal by a subsidiary company of any assets (including loans, credits, pledge or security), if the value of such assets makes up 5 (five) to 25 (twenty-five) per cent of the subsidiary company's assets book value determined based on its accounting statements as of the last reporting date, excluding transactions concluded in the ordinary course of the subsidiary company's business and transactions concluded by the subsidiaries with each other or with the Company;

(The subclause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No.120 as of April 18, 2014, and the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

19) *The subclause is deleted by resolution of the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009*

20) making decisions on approval of documents pertaining to the issue by the Company's subsidiary of additional shares or other issuable securities, including decisions to issue shares or other issuable securities, prospectus for public offering of shares or other issuable securities and reports on results of issuing shares or the subsidiary's other issuable securities;

21) making decisions enabling the Company's subsidiaries to take actions on acquisition, re-issuance of or refusal from licenses for the right to use subsurface mineral resources, including participation in tenders or auctions;

22) defining priority lines of the subsidiaries' business;

23) passing resolutions on placement by the subsidiaries of their bonds and other securities;

24) approval of the subsidiaries' registrar and the terms and conditions of the contract with such registrar, renewal and termination thereof;

25) determination of price (monetary value) of the subsidiaries' assets, as well as the placement and repurchase price of the issued securities in accordance with Russian laws;

26) making decisions on acquisition by the subsidiary of its own shares (equity interests), bonds and other outstanding securities in accordance with the RF laws.

9.48. In resolving the matters at the Meeting of the Management Board, each member of the Management Board shall have one vote.

9.49. The resolutions of the Management Board meeting on the matters specified in sub-paragraphs 11) - 26) of Paragraph 9.47 hereof shall be deemed adopted, if 2/3 of the elected members of the Management Board cast their votes for such resolution.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

The resolutions on any other matters of the Management Board meeting shall be passed by a simple majority of votes of the members of the Management Board attending the Meeting.

The Company's sole executive body in exercising its powers of a participant or shareholder of the subsidiaries, and the members of the subsidiaries' boards of directors representing the Company in its subsidiaries, shall, in making decisions at the meetings of the subsidiaries' Board of Directors, act in compliance with resolutions of the Company's Management Board on the matters specified in sub-paragraphs 11) - 26) of Paragraph 9.47 hereof.

9.50. The notice of the Management Board meeting shall be served in writing and delivered to each member of the Management Board by electronic means of communication (e-mail, fax) no later than 5 days before the date of the Meeting, unless all the members of the Management Board approve a shorter period in writing. A notice shall contain the date, time and place of the Management Board meeting and its agenda specifying in detail the items submitted for the meeting's consideration. A notice shall be accompanied by draft documents to be discussed.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

9.51. In exercising their rights and performing their obligations, the Chairman of the Management Board, members of the Management Board and a managing company or administrator shall act to the benefit of the Company and be liable to the Company for any losses caused to the Company through their faulty actions (or omission), unless other basis and scope of liability are established by the Federal Laws.

10. MAJOR AND RELATED PARTY TRANSACTIONS

10.1. Major transactions shall be consented to or subsequently approved in accordance with Article 79 of the Federal Law "On Joint Stock Companies".

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

10.2. *(The clause is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

10.3. The procedure for closing a related party transaction is determined by Art. 83 of the Federal Law "On Joint Stock Companies".

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

10.4. The members of the Board of Directors, the Management Board, the sole executive body, a person being the Company's controlling person, a person entitled to give binding instructions to the Company are obliged to notify the Company within two months from the day when they become aware or should have become aware of any circumstances by virtue whereof they may be deemed to be interested parties, of:

1) legal entities in relation whereof they, their spouses, parents, children, full-blood and half-blood siblings, adoptive parents and adopted children and/or companies controlled by them are controlling persons or entitled to give binding instructions;

2) legal entities in which management bodies they, their spouses, parents, children, full-blood and half-blood siblings, adoptive parents and adopted children and/or persons controlled by them hold any positions;

3) actual or anticipated transactions of which they are aware and where they may be recognized as interested parties.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

11. AFFILIATED PERSONS

11.1. A person shall be deemed affiliated in accordance with requirements of the Russian Federation laws.

11.2. The Company's affiliated persons shall inform the Company in writing of any shares they hold in the Company specifying their number and category (types) not later than 10 days following their acquisition date. In case the Company has incurred property damage through the failure to submit or untimely submission of the aforementioned information by the affiliated person, such affiliated person shall be held liable to the Company in the amount of the incurred losses.

11.3. The Company shall keep a record of its affiliated persons and present the relevant report in respect thereof in accordance with requirements of the Russian Federation laws.

12. FINANCIAL ACCOUNTING AND REPORTING, COMPANY'S DOCUMENTS,

INFORMATION ON THE COMPANY

12.1. The Company shall keep accounting and submit financial statements in the manner prescribed by the Russian Federation laws, provide its shareholders with information regarding the Company and provide access to the documents specified in Par. 1 of Article 89 of the Federal Law "On Joint-Stock Companies", keep the documents, provided for by the Federal Law "On Joint-Stock Companies" at the location of the Company's executive body in the manner and within the timelines established by a federal agency for securities market.

12.2. The Company's annual report shall be preliminarily approved by the Company's Board of Directors not later than 30 days before the date of the Annual General Meeting of Shareholders.

12.3. The Company shall disclose information as prescribed by the Federal Law "On Joint-Stock Companies".

13. CONTROL OVER THE COMPANY'S FINANCIAL AND BUSINESS ACTIVITY

13.1. In order to exercise control over the Company's financial and business activity, the General Meeting of Shareholders shall elect the Revision Commission and approve the Company's auditor. The Company's Revision Commission shall consist of 4 members. Members of the Company's Revision Commission shall be elected by the General Meeting of Shareholders pursuant to the procedure established by the Federal Law "On Joint-Stock Companies".

13.2. The Revision Commission and the Company's auditor shall review the Company's financial and business activity in the manner prescribed by article 85 of the Federal Law "On Joint-Stock Companies".

13.3. The following matters fall within the competence of the Revision Commission:

1) confirming reliability of data contained in the Company's annual report, annual accounts and other reports and financial statements;

2) analyzing the Company's financial state, revealing reserves to improve the Company's financial condition and developing recommendations to the Company's management bodies;

3) organizing and conduct of reviews (audits) of the Company's financial and business activity in terms of:

- review (audit) of the Company's financial statements and accounts, payment & settlement and other documentation related to the Company's financial and business activity in view of its compliance with the Russian Federation law, the Company's Articles of Association, internal and other documents;

- control over the safety and utilization of fixed assets;

- control over spending of the Company's cash in accordance with the approved business plan and budget;

- control over forming and using the Company's reserve and other special funds;

- checking up whether dividends on the Company's shares are charged and paid out correctly and in a timely manner;

- checking up the fulfillment of the previous instructions on eliminating the breaches and removing shortcomings discovered in the course of the previous reviews (audits);

- taking other actions (measures) aimed at checking up the Company's financial and business activity.

The resolutions falling within the competence of the Revision Commission shall be passed by a simple majority of votes cast by its members.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

13.4. The working procedure of the Company's Revision Commission (internal auditor) shall be determined by the Company's internal regulations approved by the General Meeting of Shareholders.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on October 15, 2009, Minutes No. 108 as of October 21, 2009)

14. COMPANY REORGANIZATION AND LIQUIDATION

14.1. The grounds and the procedure of the Company's reorganization shall be established by the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies" and other federal laws.

14.2. The Company may be voluntarily liquidated in a manner prescribed by the Civil Code of the Russian Federation and the Federal Law "On Joint Stock Companies". The Company may be liquidated under court order on the grounds prescribed by the Civil Code of the Russian Federation.

The Company liquidation shall entail termination of its activity without any transfer of rights and obligations to other persons by way of legal succession.

14.3. The liquidation of the Company shall be considered completed and the Company shall be deemed to have ceased its activity as of the date of the relevant entry made by the state registration authority to the Unified State Register of Legal Entities.

15. FINAL PROVISIONS

15.1. *(The paragraph is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

15.2. *(The paragraph is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

15.3. *(The paragraph is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

15.4. For any other matters not covered by these Articles of Association and in cases when the provisions of these Articles of Association are contrary to the laws of the Russian Federation, the Company shall be governed by the laws of the Russian Federation.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)