

MOSKAU MINSK



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## LLC FOUNDATION IN RUSSIA – GUIDELINE

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## **Legal Classification of an LLC under Russian Law**

Russia has been and continues to be attractive and promising for foreign business. And although, in the current political situation, only a few companies from "unfriendly" states are investing in Russia, the number of, in particular, Chinese and Indian investment projects has increased.

In 2025, about 9,000 companies with foreign participation were established, which is 17% more than in [2024](#). This demonstrates that the Russian market still possesses enormous potential. There are numerous tax incentives for investors. Overall, the legal framework is of quite high quality. As soon as the political situation permits and sanctions are gradually lifted, sooner or later Western companies will return to Russia. It also remains a fact that a large number of Western companies continue to operate in Russia.

Below, we would like to update our guide to the LLC, as there have been practically relevant changes since 2020.

The LLC ("**ООО**") is the most widespread legal form in Russia, preferred by most foreign and domestic investors. Joint stock companies are also common but are subject to more heavy regulation.

A limited liability company is a legal entity under Russian law. The relevant laws are found in particular in the Russian Civil Code ("**CC RF**") as well as in the Russian LLC Law ("**LLC Law**").

The LLC Law has been continuously adapted and improved over the past 15 years and is quite similar to German LLC law, although there are, of course, important differences.

Participants of an ООО can be both natural and legal persons, foreign as well as domestic.

Foreign companies can also establish 100% subsidiaries.

In short, the "ban on sub-subsidiaries" (or ban on "Matryoshka doll" structures) that had been in effect since 1995 has been lifted. It will soon be permitted for a Russian commercial company to have a sole participant (100%), which in turn has only one participant (100%). In such a case, the ООО and its sole founder may not have the same General Director.

The foundation of companies in a number of areas, such as the insurance industry, the media, and strategic sectors, is subject to certain restrictions regarding the participation quota.

The foundation of an ООО by participants from "unfriendly" countries (which includes practically all Western countries) does not require approval from the Government Commission on Foreign Investments. This is confirmed by the practice of Russian notaries and tax authorities (although other opinions and conflicting court rulings exist).

However, other transactions involving shares, particularly sale, do require this approval. Liquidations are also possible without approval

from the Government Commission, even though there are other opinions on this matter.

The number of participants in an OOO may not exceed 50; otherwise, it must be converted into a joint stock company.

As a matter of principle, participants are liable only up to the amount of their contributions. The company is not liable for the obligations of its participants. Therefore, a separation exists in principle between the company's assets and those of its participants.

This is different only if the participants have not made their contributions.

Participants who have not fully made their contributions are jointly and severally liable for the company's obligations to the extent of the unpaid portion.

However, piercing the corporate veil to hold participants liable has been significantly expanded in recent years, particularly in insolvency cases. In this regard, the Supreme Court of Russia clarified in [January 2020](#) that claims of participants arising from corporate financing are to be satisfied only after the claims of third-party creditors.

An OOO can be formed for any purpose permitted by law. The company is also allowed to engage in activities even if they are not expressly mentioned in its Charter. A license is required for certain types of activities, and operating without the necessary licenses may constitute a criminal offense. To be able to engage in foreign trade activities, the OOO must

be registered with the Russian customs authorities.

An OOO is deemed formed at the time of its entry in the "Unified State Register of Legal Entities", maintained by the tax authority i.e. Federal Tax Service (the Russian Commercial Register).

The foundation must generally take place before a Russian notary, who submits the application and accompanying documents electronically to the tax authority. Upon formation, each OOO receives a so-called OGRN number (commercial register number) and a tax number (INN).

However, the company only becomes operationally capable upon the opening of bank accounts.

### **Company Name**

Upon foundation, the exact company name of the OOO must be determined. It must be noted that certain names may not be used, or may only be used with permission, such as "Российская Федерация" (Rossiyskaya Federatsiya, Russian Federation) as well as full or derived words of official names of the Russian Federation (e.g., "Россия", "Rossiya") or abbreviations (e.g., "Рос" or "Ros").

The use of the word "Moscow" also requires permission.

### **Management Structure**

Under the LLC Law, an OOO is mandatory required to have two bodies:

- the General Meeting of Participants and
- the General Director as the sole executive body.

The position of the General Director is similar to that of the foreign Managing Director. His area of responsibility includes managing the day-to-day business of the company.

It is important that, since September 2024, the appointment and removal of General Directors must take place before a Russian notary. Thus, foreign participants must therefore travel to Russia to pass the relevant participant resolutions, or must be represented locally. This requires a notarized and apostilled power of attorney, along with documents relating to the participants (supported by certified translation into Russian).

For several years now, it has also been possible to appoint several General Directors simultaneously at an OOO (four-eyes principle). This has been hesitantly adopted in practice. Now, multiple General Directors are already common, especially in large companies. Joint representation can be provided for, or individual authority to represent can be granted. However, this must also be regulated in the Charter and the internal rules of procedure.

The General Director's authority to represent the company externally can be limited by providing for such limitations in the Charter. However, such a limitation is only effective vis-à-vis third parties if they had knowledge of the limitation. Therefore, many Charters provide for a catalog of restrictions.

A foreign national can also be appointed as General Director, but they require a work permit, which must be obtained before the appointment and commencement of activities (more information on this can be found in our [Guide on the Employment of Foreign Employees](#)). This often poses a problem during formations, as many foreign companies cannot or do not want to appoint a Russian General Director at the time of formation, and the work permit can only be applied for after the foundation of the OOO (the procedure takes approximately three to four months; for "Highly Qualified Specialists," the procedure only takes about one month). To avoid the high fines for violations of foreign nationals' law, a Russian national should assume the office of General Director during the foundation phase – even if only on an interim basis.

Under Russian law, the General Director is an employee. An employment contract must be concluded with him. Russian labor law applies – and thus also the principle of preferential treatment. Provisions of the employment contract that deviate from the statutory provisions in favor of the employee are therefore valid. More about Russian labor law can be found in our [Labor Law Guide](#) at [www.bbpartners.de](http://www.bbpartners.de).

The functions of the General Director can also be transferred to a management company, provided that this is explicitly permitted by the Charter. There are also some restrictions in this regard for companies with participants from so-called "unfriendly" states.

In addition to the General Director, a so-called

"collective executive body," also referred to as a Management Board or Directorate, can be established. Members of the Management Board have authority to represent the company only on the basis of a commercial power of attorney, not by operation of law.

A Supervisory Board can also be established, to which the Charter may assign certain competences of the General Meeting of Participants (e.g., the appointment and removal of the General Director and the Chief Accountant). However, this is rather rare for an OOO and makes only limited sense for 100% subsidiaries.

### **Charter Capital**

The minimum charter capital of an OOO is RUB 10,000 (equivalent to approx. EUR 100). The payment period for the charter capital upon foundation is determined in the agreement on the foundation of the company or in the foundation resolution, but may not exceed four months after the state registration of the company.

In the event of default on payment, the portion of the participation interest not paid by the founding participant is transferred to the company, which must either distribute it among its participants within one year or is obliged to reduce the charter capital accordingly. Contributions from foreign founders must be made exclusively in non-cash form. We recommend keeping the proofs of payment of the charter capital in the company's documents.

It is advisable to consider before foundation

whether a qualified shareholding within the meaning of Intergovernmental Double Taxation Agreements ("DTA") is useful. Russia has such agreements in place with more than 80 countries. In August 2023, they were suspended with most EU countries; however, the majority of them remain in effect.

### **Registered Office**

Formation without a legal address is not possible, as the exact registered office of the company must be stated in the foundation protocol. In practice, the authorities often require proof of the existence of specific premises where the company to be formed will establish its registered office. As a rule, a "confirmation letter" from the landlord must be submitted to the registration authorities for this purpose, confirming that premises will be made available to the OOO after its formation. Furthermore, the authorities usually require the submission of a certified copy of the landlord's certificate of title. The registration office is authorized to verify the information about the registered office of companies as well as other information contained in the commercial register about the companies, including contacting the landlord and inspecting the premises. These controls have been significantly intensified in recent years in the fight against "black sheep."

After the foundation of the OOO, a lease agreement must be concluded.

### **Incorporation Procedure**

The incorporation procedure of an OOO essentially comprises the following steps:

## **Resolution on the Company Foundation**

The decision on the foundation of the OOO is made in the form of a written resolution of the founders. The foundation resolution must contain the following information:

- Decision on the foundation of the company, specifying the company name, address, and amount of charter capital;
- Information on the founders and the shares;
- Approval of the company's Charter;
- Election of the General Director (and, if applicable, members of the Directorate) and authorization of the person who will sign the employment contract with the General Director;
- Resolution on the registration of the company.

These agenda items are not exhaustive and can be extended as desired.

If the OOO is formed by a single participant, the foundation resolution must additionally include information on the procedure and deadlines for the contribution to the charter capital, as well as on the amount and nominal value of the participation interest.

The resolution on the foundation of the OOO must be adopted unanimously by all founders.

## **Agreement on Company foundation**

In the case of incorporation of an OOO by several participants, an Agreement on Company foundation (foundation agreement) must be

concluded. The Foundation agreement must contain the following:

- Names of the participants;
- Amount of the charter capital;
- Amount and nominal value of the participants' shares;
- Amount and type of contributions to the charter capital; and
- The procedure and deadlines for the payment of contributions.

Since the entry into force of the new Russian LLC Law, the Foundation agreement is no longer a "founding document" in the legal sense (this is now only the Charter). The Foundation agreement is subject to simple written form.

## **Charter**

The sole founding document of the OOO is the Charter. The Charter must, in particular, contain the following:

- Name of the OOO to be formed;
- Location of the company's registered office;
- Types of activities;
- Amount of charter capital upon formation;
- Competences of the bodies;
- Term of office and limitation of the powers of the General Director;
- Voting procedure and required majority;
- Rights and duties of the participants;
- Procedure for transfer of shares;
- Rules on the keeping of company documents and participants' inspection rights;
- Provisions on reorganization and liquidation.

If the Charter contains a provision on the right of participants to withdraw, it must also contain rules on the procedure and order of withdrawal from the OOO. Since the right of withdrawal is non-mandatory, this is usually no longer included. Instead, rules on the transfer of shares to co-participants or third parties are provided.

### **List of Participants**

Information on the amount and nominal value of the participants' shares is no longer to be regulated in the Charter. Instead, a list of participants containing this information must be prepared.

Such a list of participants must be maintained and updated by the company itself. The information in the list of participants must correspond with the relevant information contained in the Unified State Register of Legal Entities. The General Director is responsible for submitting changes. Should the information in the register and the list of participants not correspond, the entry in the register shall prevail.

### **Registration**

The tax authorities are responsible for entry in the Unified State Register of Legal Entities (in Moscow, this is Tax Authority No. 46). Registration is carried out within three working days after submission of the registration application together with all necessary documents. The registration application consists of several official forms that must be used. The signing of the application should take place before a Russian notary by all founders. However, signing

before a foreign notary with subsequent legalization (Apostille) or at a Russian consulate is also possible. The application form must be in Russian.

For some time now, registration applications can no longer be signed by representatives of the founders, but must be signed by the managing directors of the founders in their own name. It is important that the managing director signing the registration application has sole authority to represent (which is not always the case with foreign companies). Otherwise, the application must be signed by all managing directors of the participant authorized according to the commercial register.

The application can be submitted to the tax authorities not only by the applicants personally, but also by a representative of the applicants based on a power of attorney. At the applicant's choice, the originals of the registration certificates and the Charter of the formed OOO can be collected from the tax authority or sent by mail to the postal address at the OOO's registered office.

The registration application for the formation of the company must be signed by the applicants or representatives by power of attorney and submitted electronically by the Russian notary to the registration office. In this case, upon successful registration, the applicant receives an "electronic" Charter, the registration sheet, and the tax registration certificate. Based on the electronic documents, the notary can provide the applicant with notarized paper copies of the documents.

In the event of a rejection of the state registration due to non-submission of necessary documents or their errors, the applicants have the possibility to submit the relevant documents within three months.

We recommend collecting the documents based on a power of attorney, as the postal route is unreliable and documents are frequently lost or significant delays occur.

After registration with the tax authority, the company must be registered with the statistics office and the three social funds (Health Insurance Fund, Pension Fund, and Social Insurance Fund). However, in Moscow and St. Petersburg, this is done automatically.

### **Company Seal**

The company can only become factually operational after a company stamp has been produced through an additional procedure. The stamp serves a kind of certification function in Russia, and without it, most company documents cannot be used in legal transactions (e.g., operating accounts cannot be opened without a stamp). Legally, an OOO can operate in Russia without a company stamp, but in practice, practically all companies still work with company stamps.

### **Operating Bank Accounts**

For the opening of the company's operating bank accounts, the signatures of the General Director and the Chief Accountant of the OOO (the General Director can also hold both positions concurrently) on the so-called "bank

cards" must be certified by a notary (or directly at the bank). If the position of Chief Accountant is created in an OOO, all documents concerning banking transactions must be signed by both the General Director and the Chief Accountant.

The General Director can authorize an employee of the company with the right of first signature. The power of attorney authorizing the employee to perform certain monetary transactions must explicitly also include the authorization to sign.

The right of first signature cannot be granted to a foreign participant, as this may only be granted to employees.

However, online banking can be set up with most banks, so that transfers can only be made after the foreign participant has reviewed this process and approved the payment in writing in advance.

According to the new legal regulations, banks require, upon account opening, information and documents regarding the final beneficial owners (natural persons) of the founders who directly or indirectly control 20% - 25% of the shares in the Russian company (including passport details, contacts, and residential address). Different documents are required by different banks from the founders for this purpose, which can often delay account openings. In this regard, we recommend that our clients decide on a specific bank early on so that the necessary documents can be prepared in advance.

The opening of bank accounts usually takes between 5 and 15 days, but depends on the internal procedures of each individual bank. However, it is also important to be aware of existing sanctions and restrictions in payment transactions.

### **Deadlines**

The entry of the company in the Unified State Register of Legal Entities itself occurs within three working days after submission of all necessary documents to the tax authority. However, rejections are also quite frequent if formalities are not correct. In practice, the entire foundation procedure of an OOO, up to the opening of operating bank accounts, takes up to six weeks from the date of submission of documents to the tax authority.

### **Required Documents and Information**

As a rule, the following documents are required from the foreign participant (legal entity) for the formation:

- an officially certified copy of the commercial register extract of each founder with an Apostille, and
- a notarized copy of the founder's Articles of Association (Charter) with an Apostille.

The documents must not be older than three months at the time of submission. The Apostille must be obtained in the country of residence from the competent state authority. The required notarial translations of the documents are usually done in Russia.

Enclosed below you will find our *Sample Charter*.

**Sample Charter (Excerpts)**

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Approved by Minutes No. ***[please insert]***  
of the Founders' Meeting dated ***[please insert]***

**CHARTER**  
**of the Limited Liability Company**  
***„[please insert]“***

2026

**2026**

## Preamble

The present edition of the Charter of the Limited Liability Company OOO "[*please insert*]" (hereinafter „**Company**") was approved by Minutes No. 1 of the Founders' Meeting dated [*please insert*] regarding the foundation of the company in accordance with the Civil Code of the Russian Federation and Federal Law No. 14-FZ dated 08.02.1998 „On Limited Liability Companies" (hereinafter „**LLC Law**").

The Company is a legal entity under corporate law, a non-public commercial organization with foreign investments, operating in accordance with the provisions of the Civil Code of the Russian Federation, Federal Law No. 160-FZ dated 09.07.1999 „On Foreign Investments in the Russian Federation", and the LLC Law.

## Article 1

### Name and Registered Office of the Company

1.1. The full name of the Company in Russian shall be:

Общество с ограниченной ответственностью «*[please insert]*»;

The short name of the Company in Russian shall be:

ООО «*[please insert]*».

The full name of the Company in English shall be:

ООО „*[please insert]*".

1.2. The registered office of the Company is: Moscow, Russian Federation.

## Article 2

### Purpose and Scope of Business of the Company

2.1. The Company was established for the purpose of generating profit.

2.2. The Company's main business activities shall include:

*[please insert]*.

2.3. The Company may also conduct any other business not prohibited by applicable Russian law, including licensed activities upon possession of the relevant license.

2.4. The Company has bank accounts (including foreign currency accounts), as well as a round seal bearing the full company name of the Company in the Russian language.

## Article 3

### Rights and Obligations of Participants of the Company

3.1. Each Participant of the Company shall have the right:

3.1.1. to participate in the management of the Company in accordance with the applicable LLC Law and this Charter;

3.1.2. to receive information on the Company's activities and to inspect its books and records in accordance with this Charter;

3.1.3. to participate in the distribution of

profits;

3.1.4. to sell or otherwise transfer all or part of his participation interest in the Company to one or more Participants of the Company or to another person in accordance with the LLC Law and this Charter;

3.1.5. to demand that the Company acquire his participation interest, if such transfer or demand is permissible under the LLC Law;

3.1.6. upon liquidation of the Company, to receive his share of the assets remaining after satisfaction of creditors' claims, or the value of such share;

3.1.7. to make contributions to the assets of the Company in accordance with the provisions of the LLC Law, this Charter, and resolutions of the General Meeting of Participants;

3.1.8. other rights granted to him by the LLC Law and this Charter.

3.2. Each Participant of the Company shall be obliged to:

3.2.1. pay for the participation interest in the charter capital of the Company in the manner, amount, and within the time limits specified by the LLC Law and the resolution on the foundation of the Company;

3.2.2. not disclose any information about the Company's activities that is treated as confidential;

3.2.3. immediately inform the Company of any change in his name or corporate name, residential address or registered office, or of changes in the information regarding his participation interest in the Company;

3.2.4. fulfil other obligations arising from the LLC Law and this Charter.

#### **Article 4**

##### **Charter Capital of the Company, Contributions to the Assets of the Company**

4.1. The charter capital of the Company consists of the nominal value of the participation interests owned by the Participants. The charter capital of the Company amounts to RUB *[please insert]*.

4.2. The charter capital of the Company must be fully paid up within four months from the date of state registration of the Company.

4.3. The participation interest in the charter capital, including the unpaid portion, grants the Participant voting rights.

4.4. A participation interest in the Company may be paid for in cash or in the form of securities, other things, property rights, or other rights having a monetary value.

4.5. The charter capital of the Company may not be increased before it is fully paid up. The charter capital may be increased through contributions from the Company's assets and/or additional contributions from the Participants of the Company and/or contributions from third parties admitted to the Company.

4.6. The Participants shall make contributions to the assets of the Company based on a resolution of the General Meeting of Participants. A contribution to the assets does not change either the participation quotas of the Participants or the nominal values of the

participation interests owned by them in the Company.

Contributions to the assets may be made in cash, unless the Participant's resolution of the Company provides otherwise. Contributions to the assets are made by the Participants of the Company irrespective of their participation quotas in the Company. By resolution of the General Meeting of Participants, the contribution to the assets of the Company may be made by one of the Participants.

## **Article 5**

### **Transfer and Pledge of the Participation Interest in the Charter Capital**

5.1. The transfer of a participation interest in the charter capital of the Company is possible only in the actually paid-up portion of the interest.

5.2. Each Participant of the Company may sell or otherwise transfer all or part of his participation interest in the Company to one or more Participants of the Company. Such a sale or transfer does not require the consent of the other Participants or the Company.

5.3. The Participant transferring his participation interest in the charter capital shall inform the Company thereof in writing.

5.4. Each Participant of the Company has a pre-emptive right to acquire a participation interest that a Participant (the entire interest or apart of his participation interest in the Company) offers to a third party. A Participant may exercise his pre-emptive right to

acquire less than the entire participation interest in the Company offered for sale. The remaining part of this participation interest may be sold to a third party at the price and on the terms specified in the relevant notice to the Participants. The Company does not have a pre-emptive right to acquire a participation interest offered by a Participant or a part thereof.

5.5. Each Participant wishing to sell all or part of his participation interest in the Company to a third party must give written notice to the other Participants and the Company. This notice must be in the form of a notarized offer, which is transmitted to the Company and the other Participants through the Company, stating the price and other conditions of the intended sale.

Such an offer to sell the entire participation interest or a part thereof in the Company shall be deemed received by all Participants of the Company upon its receipt by the Company. Each Participant of the Company shall have thirty (30) days from the date of receipt of such offer by the Company to exercise his pre-emptive right.

Participants of the Company may waive the exercise of their pre-emptive right to acquire the participation interest or a part thereof by a written declaration of waiver addressed to the Company.

The signature of the Participant on the declaration of waiver must be notarized. Such a declaration must be received by the Company before the expiry of the 30-day period for

exercising the pre-emptive right.

If the Participants of the Company do not exercise the pre-emptive right to acquire the participation interest or a part thereof within the period of 30 days from receipt of the offer, the remaining interest or part thereof may be sold to a third party at a price not lower than the price stated in the offer to the Participants, and on the terms offered to the Participants.

5.6. Any transfer of the entire participation interest or a part thereof in the charter capital of the Company requires notarization, unless the LLC Law provides otherwise. Such a contract is invalid if it has not been properly notarized.

5.7. The participation interest or part thereof in the charter capital passes to the acquirer upon the entry of the changes in the Unified State Register of Legal Entities, or at another time resulting from the LLC Law.

5.8. The transfer of a participation interest in the charter capital to the heirs of natural persons and the legal successors of legal persons who are Participants of the Company, the transfer of the interest of a liquidated legal person to its founders (participants) is permitted only with the consent of the other Participants of the Company.

5.9. Each Participant of the Company may pledge all or part of his participation interest in the Company to another Participant or, with the consent of the General Meeting of Participants of the Company, to a third party.

Any pledge of the entire participation interest or a part thereof in the Company requires notarization. Such a pledge is invalid if it has not been properly notarized.

5.10. The Participant who alienates his participation interest or a part thereof in the charter capital of the Company is jointly and severally liable with the acquirer of the participation interest for the obligation to make a contribution to the assets of the Company that arose prior to the conclusion of the legal transaction for the alienation of the participation interest.

## **Article 6**

### **Profit Distribution**

6.1. The Company may resolve to distribute the net profit to the Participants quarterly, semi-annually, or annually.

6.2. The profit distribution is made based on a resolution of the General Meeting of Participants. The resolution must specify the directions for the use of the profit, as well as the part of the profit amount to be distributed to the Participants.

6.3. The part of the profit amount to be distributed to the Participants may be distributed either in proportion to or irrespective of the ratio of the participation interests of the individual Participants in the charter capital of the Company. The specific amount of profit to be paid to each Participant shall be determined in the resolution of the General Meeting of Participants, which must be adopted unanimously.

## **Article 7**

### **Governing Bodies**

7.1. The supreme governing body of the Company is the General Meeting of Participants of the Company.

7.2. The day-to-day business of the Company shall be managed by a General Director as the sole executive body of the Company.

## **Article 8**

### **The General Meeting of Participants**

8.1. The competence of the General Meeting of Participants of the Company is regulated by this Charter and the LLC Law.

8.2. The General Meeting of Participants of the Company is competent to make decisions on the following matters:

8.2.1. determination of the policies and strategies of the Company, as well as decisions on participation by the Company in an association or other group of business entities;

8.2.2. amendments to the Company's Charter, including a change in the amount of the Company's charter capital;

8.2.3. appointment and removal of the General Director of the Company, as well as determination of the terms, conclusion and termination of the employment contract, transfer of the powers of the sole executive body of the Company to a management company or a manager (hereinafter „Manager“) and approval of such Manager as well as the terms of the relevant agreement with the Manager;

8.2.4. approval of the respective annual report and annual balance sheet of the Company;

8.2.5. approval of the distribution of the Company's net profit to the Participants of the Company;

8.2.6. approval/adoption of internal documents of the Company which regulate the internal affairs of the Company;

8.2.7. decision on conducting an external audit, appointment of an external auditor, and determination of his remuneration;

8.2.8. reorganization or liquidation of the Company;

8.2.9. appointment of the liquidator and approval of the liquidation balance sheets;

8.2.10. establishment or closure of a branch or opening or closing of a representative office of the Company in the Russian Federation or abroad;

8.2.11. approval of a material transaction, i.e., a transaction or a series of related transactions involving the direct or indirect acquisition, alienation, or possible alienation of assets by the Company with a value of twenty-five percent (25%) or more of the Company's assets, determined on the basis of the Company's balance sheet for the last reporting period prior to the date of approval of such transactions (hereinafter „**Material Transactions**“).

Transactions carried out in the ordinary course of business of the Company shall not be deemed material transactions;

8.2.12. approval of transactions in which the General Director or one of the Participants may be interested according to Art. 45 of the LLC Law;

8.2.13. other matters falling within the

competence of the General Meeting of Participants of the Company under this Charter and the LLC Law.

8.3. Matters within the competence of the General Meeting of Participants of the Company may not be transferred to the executive body of the Company.

8.4. General Meetings of Participants shall take place at the registered office of the Company or at another location previously agreed upon by the Participants. General Meetings may be held both in Russia and abroad.

The General Meeting of Participants may be held in the form of a gathering (joint presence of the Participants of the Company), also by means of remote voting, by way of absentee voting (postal vote), or in a combination of voting in a meeting and absentee voting. The procedure for conducting one or the other form of the General Meeting of Participants and the voting procedure may be approved by the General Meeting of Participants in the form of a corresponding internal regulation.

The General Meeting in remote format shall be held by means of electronic or other technical means. In this case, methods must be used that allow reliable identification of the person participating in the meeting. All participants must be given the opportunity to exercise their rights as Participants, in particular the right to participate, speak, ask questions, and vote. The exchange of information, discussion, and joint formation of opinions must also be ensured.

Resolutions of the General Meeting of Participants may also be adopted without holding a General Meeting of Participants by way of absentee voting (postal vote). Such voting may take place through the exchange of documents by mail, telephone, electronic, or other communication means that ensure the authenticity of the transmitted and received messages and their documentary confirmation.

8.5. An ordinary General Meeting of Participants of the Company, which approves the annual results of the Company's business activities (also referred to as the annual General Meeting of Participants of the Company), shall be held at least once a year, no earlier than March 1 and no later than April 30 of the year following the reporting year.

The invitation to the General Meeting of Participants shall be sent by the General Director to each Participant by mail, courier, or email in accordance with the data specified in the list of Participants, no later than twenty days prior to the General Meeting of Participants. The notifications must contain the time and place of the meeting as well as the agenda of the meeting.

8.6. Each Participant is entitled to propose additional agenda items for discussion and/or decision-making to the General Director of the Company in writing no later than 10 days prior to the scheduled date of the meeting.

8.7. Extraordinary General Meetings of Participants are convened by the General Director on his own initiative, upon written request

of the auditor, or upon request of Participants holding, in aggregate, at least one-tenth of the total number of votes in the Company.

Regarding the time limits and procedure for convening an extraordinary General Meeting of Participants, the provisions of the LLC Law on ordinary General Meetings of Participants shall apply. Should the General Director fail to adopt a resolution on convening the meeting or refusing to convene it within 5 days after receipt of the request, the extraordinary meeting may be convened by the authorized bodies and persons who made the request.

8.8. A meeting held in violation of the convening procedure shall be considered quorate provided that all Participants have participated therein.

8.9. Each Participant of the Company may participate in a General Meeting of Participants of the Company in person or through a representative. Participants that are legal entities shall be represented by their management bodies or other persons based on a power of attorney.

8.10. A General Meeting of Participants of the Company shall be opened by the General Director of the Company or by the person who convened the General Meeting of Participants. This person shall conduct the election of the chairperson and the secretary of the meeting. The resolution on the election of the chairperson and the secretary of the meeting shall be adopted by a simple majority of the votes of the persons entitled to vote.

8.11. Resolutions of the General Meeting of Participants shall be adopted by a simple majority of the votes cast by the Participants, except in cases where, under the LLC Law or this Charter, resolutions must be adopted by a qualified majority. In the event of a tie vote, the resolution shall be deemed not adopted.

8.12. Measures for the reorganization or liquidation of the Company, for increasing the charter capital by means of an additional contribution from a Participant or a third party, as well as other cases provided for by the LLC Law or this Charter, require the unanimous consent of all Participants of the Company.

8.13. Minutes shall be prepared for each General Meeting of Participants. The General Director of the Company is responsible for preparing the minutes. The minutes must contain the date and place of the meeting, the list of persons present, the wording of the resolutions adopted (as well as items not put to the vote), and the specific voting results. The minutes shall be signed by the chairperson and the secretary of the meeting. The minutes shall be prepared within 5 days after the meeting.

The fact of the adoption of a resolution by the General Meeting of Participants and the attendance of the Participants shall be confirmed by the signing of the presented minutes by the chairperson and the secretary of the General Meeting of Participants, who are deemed authorized representatives of the Participants for this purpose, without the need for notarization of the minutes.

In a company with a single Participant, the adoption of a resolution by the sole Participant shall be confirmed by the signing of the resolution by the sole Participant or his authorized representative without notarization.

The General Director of the Company or the other person keeping the minutes of a General Meeting of Participants of the Company shall provide each Participant of the Company with a copy thereof by mail or email within ten days after the preparation of the minutes.

8.14. The minutes of all General Meetings of Participants of the Company shall be kept in a minute book maintained by the General Director.

8.15. Resolutions of the General Meeting of Participants of the Company may also be adopted without holding a meeting in which the Participants of the Company participate to discuss items on the agenda and to decide on the matters put to the vote (written resolution). Such written consent may be given through the exchange of documents by mail, telephone, electronic, or other communication means that ensure the authenticity of the sent and received messages and enable documentary confirmation of such message. The adoption of resolutions by way of written voting shall be carried out in accordance with the rules to be established in the Company's internal documents.

8.16. A resolution of the General Meeting of Participants adopted in violation of legal provisions or Charter regulations, infringing the rights and legitimate interests of Participants

of the Company, may be declared invalid by a court upon the application of a Participant who did not participate in the vote or voted against the contested resolution. The period for filing such an application is two months from the date on which the Participant became aware or should have become aware of the adopted resolution and the circumstances constituting grounds for its invalidation.

8.17. In a company with a single Participant, the provisions of the Charter in clauses 8.4 – 8.16 shall not apply, with the exception of the provisions on the deadlines for the annual General Meeting of Participants of the Company.

8.18. Documents necessary for organizing the General Meeting of Participants shall be sent to the Participants by registered mail, courier post, or email.

## **Article 9**

### **General Director**

9.1. The General Director is the sole executive body of the Company. The Company may appoint one or more General Directors acting independently of each other.

If one General Director is appointed, he or she shall exercise all the powers of the sole executive body himself or herself.

If several General Directors are appointed, they generally have equal powers and the right of sole representation of the Company. Unless otherwise specified, the responsibilities between the General Directors and their

competences may be allocated by the resolution of the General Meeting of Participants in which they were elected, or by a resolution of the General Meeting of Participants on the allocation of powers between the sole executive bodies.

The General Director is elected by the General Meeting of Participants of the Company for a term of **[please insert]** years.

He may be removed from his position at any time by a resolution of the General Meeting of Participants. The agreement between the General Director and the Company shall be signed by the chairperson of the General Meeting of Participants that elects the General Director, or by the Participant authorized by a resolution of the General Meeting of Participants of the Company.

9.2. The General Director of the Company shall be authorized to:

9.2.1. act on behalf of the Company without a power of attorney and, in particular, represent the Company and conclude legal transactions, taking into account clause 9.3 of this Charter;

9.2.2. issue orders for the hiring, transfer, or termination of employment of employees of the Company and to recognize outstanding performance of employees of the Company or take disciplinary action against them;

9.2.3. exercise all other powers which, under this Charter, do not fall within the competence of the General Meeting of Participants of the Company.

9.3. The following transactions require

approval as material transactions in accordance with the LLC Law. The General Director must obtain the prior consent of the General Meeting of Participants therefor:

- a) Conclusion of loan and credit agreements;
- b) Conclusion, amendment, or termination of employment contracts with the employees of the Company, if their remuneration exceeds **[please insert]** annually, including possible bonuses.
- c) Appointment of one or more deputies and granting of powers of attorney to him/them;
- d) Conclusion, amendment, and termination of material supply, distribution, license, and cooperation agreements, as well as other agreements with a value exceeding RUB **[please insert]**;
- e) Acquisition or disposal of shares or participation interests in other companies;
- f) Decisions on material changes to the marketing, sales, pricing, and financial strategy of the Company;
- g) Solicitation of investments in an amount exceeding RUB **[please insert]** and/or conclusion of lease or rental agreements;
- h) Conclusion of agreements with external consultants.

9.4. The General Director is entitled to make decisions on the matters listed in clause 9.3 of this Charter without the prior consent of the General Meeting of Participants of the Company if obtaining consent in a timely manner is impossible and the measures under clause 9.3 are necessary to avert damage from the Company. In this case, the General Director must obtain the consent of the

General Meeting of Participants immediately after carrying out the said measures.

9.5. The transactions specified in this paragraph shall not be subject to the procedure for approval of material transactions set forth in the LLC Law:

- Conclusion, amendment, and termination of agreements with Participants of the Company, as well as making payments under such agreements;
- Conclusion, amendment, and termination of agreements in connection with the import and export of goods, as well as making payments under such agreements.

9.6. The Company is entitled to transfer the functions of the sole executive body of the Company to a management company on the basis of an agreement.

## **Article 10**

### **Documents of the Company**

10.1. The Company shall keep the following documents at the offices of its sole executive body or at another location known to and accessible to the Participants of the Company:

- The Charter of the Company, as well as all amendments made thereto;
- the minutes of the Founders' Meeting of the Company regarding the establishment of the Company and all other resolutions related to the establishment of the Company;
- a document evidencing the state registration of the Company;
- documents evidencing the Company's rights to the assets recorded on its

balance sheet;

- all internal documents of the Company;
- the regulations for branches or representative offices of the Company;
- a list of affiliated persons of the Company;
- all reports of the Company's external auditor and all relevant audit reports of state authorities;
- other documents required under applicable Russian federal law, regulation, or rule, the Charter of the Company, an internal document of the Company, or a resolution of the General Meeting of Participants of the Company or the executive body of the Company.

10.2. Each of the listed documents shall be made available for inspection by the Company at the offices of the executive body of the Company upon request of a Participant of the Company or the controlling body. The fee charged by the Company for such a copy may not exceed the cost of producing the copy.

## **Article 11**

### **List of Participants**

11.1. The Company shall maintain a list of its Participants, which shall contain information such as the data of each Participant and his participation quota, information on the payment for this Participant's participation interest, the Company's participation quota, and the dates on which the participation interests owned by the Company were transferred to or acquired by the Company.

11.2. The General Director shall ensure that

all data contained in such a list of Participants of the Company concerning a Participant of the Company or all or part of the participation interest owned by a Participant of the Company or all or part of the participation interest owned by the Company itself corresponds to the data contained in the Unified State Register of Legal Entities and to any transfer of a participation interest in the Company under a contract that has been notarized and is known to the Company.

11.3. Each Participant shall inform the Company of changes in his name, address, or registered office, as well as of new information regarding the participation interest in the charter capital of the Company. The Company shall not be liable for damages in connection with the failure to provide the relevant information.

## **Article 12**

### **Reorganization and Liquidation of the Company**

The Company may be reorganized or liquidated in accordance with the applicable legislation of the Russian Federation.

## **Article 13**

### **Final Provisions**

In all other matters not regulated in this Charter, the Company shall be governed by the legislation of the Russian Federation.

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