

TRANSLATION OF ARTT. 61.10, 61.11 (9) OF RUSSIAN LAW ON INSOLVENCY

Article 61.10. The debtor's controlling person

1. Unless otherwise provided for by this Federal Law, for the purposes of this Federal Law, a debtor's controlling person shall be understood as a natural or legal person having or having had, within the period not earlier than three years prior to the appearance of signs of bankruptcy, as well as within the period after their appearance prior to the admission by the commercial court of an application for the debtor's bankruptcy, entitled to giving the debtor obligatory instructions or otherwise controlling its actions, including the conclusion of transactions and determination of their terms.
2. The ability to determine the debtor's actions can be achieved:
 - 1) by virtue of the relationship of kinship or in-law, or in an official working relationship with the debtor (manager or members of the debtor's management bodies);
 - 2) by virtue of the authority to perform transactions on behalf of the debtor based on a power of attorney, regulatory act or on other special power;
 - 3) by virtue of the official working position (in particular, the position of chief accountant, financial director of the debtor or people specified in subparagraph 2 of paragraph 4 of this Article, as well as by virtue of other position that provides an opportunity to determine the actions of the debtor);
 - 4) in another way, including the way of forcing the manager or members of the debtor's management bodies or otherwise by exercising decisive influence over the manager or members of the debtor's management bodies.
3. The concealment by the debtor and (or) the debtor's controlling person and (or) other people interested in relation to them of signs of insolvency and (or) insufficiency of property does not affect the determination of the date of appearance of signs of bankruptcy for the purposes of application of paragraph 1 of this Article.
4. Unless otherwise proved, it is assumed that the person was the controlling person of the debtor, if this person:
 - 1) was the manager of the debtor or of the debtor's managing company, a member of the debtor's executive body, the debtor's liquidator, a member of the liquidation commission;
 - 2) had the right to dispose of fifty or more percent of the voting shares of the joint-stock company, or of more than half of the charter capital of the limited (additional) liability company, or more than half of the votes at the general meeting of participants of the legal entity, or had the right to appoint (elect) the manager of the debtor;
 - 3) benefited from illegal or unfair conduct of people specified in paragraph 1 of Article 53.1 of the Civil Code of the Russian Federation.
5. The Commercial court may recognize a person as a controlling person of the debtor based on other reasons.
6. A person cannot be considered as a debtor's controlling person if such attribution is connected exclusively with direct ownership of less than ten percent of the legal entity's charter capital and with receipt of ordinary income related to such ownership.

Article 61.11. Subsidiary liability for inability to fully satisfy creditors' claims

9. The Commercial court has the right to reduce the entity of subsidiary liability or to completely release from subsidiary liability the person brought to subsidiary liability, if such a person proves that while performing the duties of the management bodies or of the founder (participant) of the legal entity, it did not actually have any determining influence on the activities of the legal entity (performed the duties of the management body nominally), and if due to the information provided by such person the real debtor's controlling person would be established, also including the person meeting the requirements specified under subparagraph 2 and 4 of paragraph 4 of article 61.10 of this Federal Law, or if the property of the debtor and (or) of the debtor's controlling person concealed by the person meeting the requirements specified under subparagraph 2 and 4 of paragraph 4 of article 61.10 of this Federal Law would be established.