

APPROVED BY

General Meeting of Shareholders of
OJSC Oil Company Rosneft
on June 7, 2006
Minutes n/n

CHARTER of OJSC Oil Company Rosneft

with amendments:

1 (based on results of placement of shares of OJSC "Oil Company "Rosneft" in accordance with decision of Extraordinary General Meeting of Shareholders of OJSC "Oil Company "Rosneft" concerning increase of Authorized Capital of OJSC "Oil Company "Rosneft" dated June 7, 2006 (minutes n/n) and report on results of additional issue of shares registered by Federal Service on Financial Markets (Order №06-2074/pz-i dated September 7, 2006);

2 (approved by Board of Directors of OJSC "Oil Company "Rosneft" (minutes of meeting dated 10.10.2006, №11);

3 (based on results of placement of shares of OJSC "Oil Company "Rosneft" in accordance with decision of Extraordinary General Meeting of Shareholders of OJSC "Oil Company "Rosneft" concerning increase of Authorized Capital of OJSC "Oil Company "Rosneft" dated June 7, 2006 (minutes n/n) and report on results of additional issue of shares registered by Federal Service on Financial Markets (Order №06-2472/pz-i dated October 31, 2006);

4 (approved by Annual General Meeting of Shareholders of OJSC "Oil Company "Rosneft" on June 30, 2007);

5 (approved by Board of Directors of OJSC "Oil Company "Rosneft" (minutes of meeting dated 27.12.2007, №9);

6 (approved by Annual General Meeting of Shareholders of OJSC "Oil Company "Rosneft" on June 5, 2008)

Moscow, 2006

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1. GENERAL PROVISIONS

1.1. Joint Stock Company Oil Company Rosneft (hereinafter, the "Company") is an open joint stock company. The Company is a legal entity, which operates under its charter and the laws of the Russian Federation. The Company was established under the Decree of the President of the Russian Federation No. 327 of April 1, 1997 "On the primary measures to improve activities of oil companies" and on the basis of Regulation of the Government of the Russian Federation No. 971 of September 29, 1995 "On reorganization of the state enterprise Rosneft into an open joint stock company Oil Company Rosneft.

1.2. The company is established without limitation of the period of its existence.

1.3. The Company is the legal successor of a reorganized state enterprise Rosneft according to the act of transfer and acceptance.

1.4. The Company is the legal successor of OJSC Oil Company Rosneft-Krasnodarneftegaz, OJSC Oil Company Rosneft-Purneftegaz, OJSC Oil Company Rosneft-Sakhalinmorneftegaz, OJSC Oil Company Rosneft-Stavropolneftegaz, OJSC Yuganskneftegaz, OJSC Severnaya Neft, OJSC Selkupneftegaz, OJSC Oil Company Rosneft – Komsomolsky refinery, OJSC Oil Company Rosneft – Tuapsinsky refinery, OJSC Oil Company Rosneft – Arkhangelsknefteproduct, OJSC Oil Company Rosneft-Nakhodkanefteproduct, OJSC Oil Company Rosneft-Tuapsenefteproduct, which merged with the Company pursuant to the resolutions of the General Meetings of shareholders of OJSC Oil Company Rosneft, OJSC Oil Company Rosneft-Krasnodarneftegaz, OJSC Oil Company Rosneft-Purneftegaz, OJSC Oil Company Rosneft-Sakhalinmorneftegaz, OJSC Oil Company Rosneft-Stavropolneftegaz, OJSC Yuganskneftegaz, OJSC Severnaya Neft, OJSC Selkupneftegaz, OJSC Oil Company Rosneft – Komsomolsky refinery, OJSC Oil Company Rosneft – Tuapsinsky refinery, OJSC Oil Company Rosneft – Arkhangelsknefteproduct, OJSC Oil Company Rosneft-Nakhodkanefteproduct, OJSC Oil Company Rosneft-Tuapsenefteproduct dated June 2, 2006 on the reorganization by way of merger of OJSC Oil Company Rosneft-Krasnodarneftegaz, OJSC Oil Company Rosneft-Purneftegaz, OJSC Oil Company Rosneft-Sakhalinmorneftegaz, OJSC Oil Company Rosneft-Stavropolneftegaz, OJSC Yuganskneftegaz, OJSC Severnaya Neft, OJSC Selkupneftegaz, OJSC Oil Company Rosneft – Komsomolsky refinery, OJSC Oil Company Rosneft – Tuapsinsky refinery, OJSC Oil Company Rosneft – Arkhangelsknefteproduct, OJSC Oil Company Rosneft-Nakhodkanefteproduct, OJSC Oil Company Rosneft-Tuapsenefteproduct into OJSC Oil Company Rosneft, respectively, and the Deeds of Merger of OJSC Oil Company Rosneft-Krasnodarneftegaz, OJSC Oil Company Rosneft-Purneftegaz, OJSC Oil Company Rosneft-Sakhalinmorneftegaz, OJSC Oil Company Rosneft-Stavropolneftegaz, OJSC Yuganskneftegaz, OJSC Severnaya Neft, OJSC Selkupneftegaz, OJSC Oil Company Rosneft – Komsomolsky refinery, OJSC Oil Company Rosneft – Tuapsinsky refinery, OJSC Oil Company Rosneft – Arkhangelsknefteproduct, OJSC Oil Company Rosneft-Nakhodkanefteproduct, OJSC Oil Company Rosneft-Tuapsenefteproduct into OJSC Oil Company Rosneft, respectively, dated June 2, 2006.

2. OFFICIAL NAME AND LOCATION OF THE COMPANY

2.1. The official name of the Company

The full name shall be:

in Russian:

Открытое акционерное общество «Нефтяная компания «Роснефть»

in English:

OJSC Oil Company Rosneft

The abbreviated name shall be:

in Russian:

ОАО «НК «Роснефть»

in English:

OJSC OC Rosneft

2.2. The location of the Company shall be: Russian Federation 115035 Moscow, 26/1 Sofiyskaya embankment.

3. PURPOSE AND OBJECTIVES OF OPERATION OF THE COMPANY

3.1. The purpose of the Company's operation shall be to earn profit.

3.2. The Company shall have the civil rights and assume the civil responsibilities necessary to engage in any type of activity not prohibited by Federal laws.

3.3. The Company may engage in certain types of operations, as listed by Federal laws, on the basis of a special authorization/license only.

3.4. The scope of the Company activities shall include prospecting, exploration, production, processing of oil, gas, gas condensate as well as sale of oil, gas, gas condensate and their derivatives to consumers in the Russian Federation and abroad, any related types of activity as well as types of activity connected to work with precious metals and precious stones.

The Company shall carry out, inter alia, the following main types of activity:

a) geological prospecting and geological exploration work with a view of finding new oil deposits, gas fields, coal deposits and other mineral deposits; extraction, transportation and processing of oil, gas, coal and other minerals and timber; production of oil products, petrochemicals and other products, including electric power, woodworking products, and consumer goods and provision of services to the public; storage and sale (including sale in the domestic market and export sale) of oil, gas, oil products, coal, electric power, woodworking products, and other hydrocarbon and other derivatives.

The specified types of activity shall be carried out both by the Company and its dependent and subsidiary companies through coordination of their activities and their cooperation;

b) investment activities, including transactions with securities;

c) organization of fulfillment of orders required for federal government needs and regional consumers of goods produced by the Company or its dependent and subsidiary companies, including deliveries of oil, gas and oil products to the regions where they operate;

d) investment management, construction, engineering, technical and maintenance support of upstream and downstream projects, scientific and technical support, procurement and sale, economic, foreign economic and legal support of the activity of both the Company and its dependent and subsidiary companies, and third party customers. Study of commodity and services markets and securities markets, research, and sociological and other studies. Regulation and coordination of the operations of subsidiary and dependent companies;

e) leasing out of immovable and other property and use of leased property;

f) provision of assistance in securing the interests of the Russian Federation in the drafting and performance of product sharing agreements in respect of subsoil areas and hydrocarbon deposits;

g) organization of advertising and publishing activities and holding of exhibitions, selling exhibitions, auctions, etc.;

h) agency, consultancy, marketing and other types of activities, including foreign trade (including export and import transactions), performance of work and services on a contractual basis; and

i) organization of protection of the Company's employees and property;

k) usage of precious metals and precious stones in technological processes in the structure of equipment and materials;

l) preparation and conduct of activities related to mobilization training, civil defense and protection of state secrets.

4. LEGAL STATUS OF THE COMPANY

4.1. The Company shall be a legal entity and shall own distinctive property as included in its balance sheet. The Company may, in its own name, acquire and exercise property and personal non-property rights, assume responsibilities, and act as a claimant and defendant in court.

4.2. The Company may open bank accounts in and outside the Russian Federation in the established manner.

4.3. The Company shall have a round seal bearing its full official name in Russian and indicating its location. The seal may also indicate the official name of the Company in any foreign language or in any language of the peoples of the Russian Federation.

4.4 The Company may have stamps and letterheads bearing its name and its own logo, a trademark registered in the established manner, and other means of visual identification.

4.5. The Company may participate in the establishment and establish, commercial organizations in and outside the Russian Federation.

4.6. The Company may, on a voluntary basis, join unions and associations and be a member of other non-commercial organizations in and outside the Russian Federation.

4.7. The Company shall ensure that a register of the Company shareholders is maintained and kept in accordance with legal acts of the Russian Federation from the date of the state registration of the Company. The register of the Company shareholders shall be kept by a professional participant of the securities market, whose business is to keep registers of holders of registered securities, i.e. a registrar.

4.8. The Company may have subsidiary and dependent companies with the rights of a legal entity in the Russian Federation, established in accordance with Federal Law No. 208-FZ dated 26 December 1995 "On Joint Stock Companies" (hereinafter, the "Federal Law "On Joint Stock Companies") and other Federal laws and, outside the Russian Federation, in accordance with the legislation of the foreign country where the subsidiary or dependent company is located, unless otherwise stipulated by a treaty with the Russian Federation

5. LIABILITY OF THE COMPANY

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

5.2. The Company shall not be liable for the obligations of its shareholders.

5.3. The Government or its agencies shall not be liable for the obligations of the Company, nor the Company shall be liable for the obligations of the Government or its agencies.

6. BRANCHES AND REPRESENTATIVE OFFICES

6.1. The Company may establish branches and open representative offices both in and outside the Russian Federation.

6.2. Branches and representative offices shall carry out activities on behalf of the Company, which shall be liable for their activities.

6.3. Branches and representative offices are not legal entities and shall be assigned property by the Company and shall operate in accordance with the regulations on them. Regulations on branches and representative offices shall be approved and amended and supplemented by the sole executive body of the Company (President).

The property of branches and representative offices shall be recorded on their separate balance sheets and on the balance sheet of the Company.

6.4. The heads of branches and representative offices shall act under a power of attorney issued by the President of the Company.

6.5. The Company shall have the following representative offices:

- in Northern Caucasus, at 350610 Krasnodar, 54 Krasnaya street;
- in Yamalo-Nenetsk Autonomous region, at 629830 Gubkinsky, district 10, house 3;
- in the Far East, in Sakhalin region, at 693010 Yuzhno-Sakhalinsk, 17 Khabarovskaya street;
- in Stavropol region, at 356880 Neftekumsk, 5 Street of 50th anniversary of Pioneriya;
- in Khanty-Mansiysky Autonomous region, in Yugra, at 628309 Nefteyugansk, 26 Lenina street;
- in Komi Republic, at 169710 Usinsk, 1 Pripolyarnaya street;
- in Khabarovsk region, at 680007 Komsomolsk-na-Amure, 107 Leningradskaya street;
- in the Arkhangelsk oblast, at 163530, Primorski province, Talagi village, 30;
- in Primorsky region, at 692929 Nakhodka, 19 Makarova street;
- in Europe, at Favoritenstrasse 7/4, 1040, Vienna, Austria;
- in Asia-Pacific region, in China, at 100022 Beijing, Chaoran, 6A Tsyangomenway, Central World Trade Center, tower D.

7. CHARTER CAPITAL

Outstanding and Authorized Shares

7.1. The Authorized Capital of the Company shall amount to 105 981 778, 17 roubles (one hundred five million nine hundred eighty one thousand seven hundred seventy eight roubles seventeen kopeks) and shall be divided into 10 598 177 817 (ten billion five hundred ninety eight million one hundred seventy seven thousand eight hundred seventeen) pieces of ordinary registered book-entry shares with the nominal value equal to 1 (one) kopek each.

The Authorized Capital of the Company shall consist of the nominal value of shares of the Company acquired and paid up by shareholders.

7.2. In addition to placed shares the Company shall have the right to place ordinary registered book-entry shares in a number of 6 332 510 632 (six billion three hundred thirty two million five hundred ten thousand six hundred thirty two) pieces with the nominal value equal to 1 (one) kopek each with the total nominal value equal to 63 325 106.32 roubles each (sixty three million three hundred twenty five thousand one hundred six roubles thirty two kopeks) (declared shares) granting the same rights as placed ordinary shares of the Company provided for under this Charter.

Increase of Charter Capital

7.3. The Charter Capital of the Company may be increased by increasing the par value of its shares or by placing additional shares.

7.4. A resolution to increase the Charter Capital of the Company by increasing the par value of its shares shall be approved by the General Meeting of Shareholders.

7.5. A resolution to increase the Charter Capital of the Company by placing additional shares shall be approved by the General Meeting of Shareholders.

7.6. When increasing its Charter Capital the Company shall be guided by restrictions established by Federal laws.

Upon placement of shares and issuable securities convertible into shares by means of subscription, the Company may hold open and closed subscription.

Reduction of Charter Capital

7.7. The Charter Capital of the Company may be reduced by decreasing the par value of shares or reducing its total number, including by acquisition of a portion of shares.

7.8. The Charter Capital of the Company may be reduced by acquisition of a portion of the Company shares under a resolution of the General Meeting of Shareholders on the reduction of the Company's Charter Capital by way of acquisition of a portion of outstanding shares in the Company with a view of reducing their total number.

7.9. The Charter Capital shall be reduced under a resolution of the General Meeting of Shareholders on the reduction of the Charter Capital by redemption of shares, which are at the disposal of the Company, in the following cases:

- if the shares repurchased by the Company at the request of shareholders were not sold within one year from the date of their repurchase (except for the repurchase of shares upon approval of a resolution on the Company reorganization);
- if the shares acquired by the Company under Clause 2 of Article 72 of the Federal Law "On Joint Stock Companies" were not sold within one year from the date of their acquisition.

7.10. If at the end of the second and each subsequent fiscal year the value of the Company's net assets, according to its annual balance sheet submitted to the Company's shareholders for approval or according to the results of an audit, proves to be less than its Charter Capital, the Company shall declare a reduction of its Charter Capital to an amount not exceeding the value of its net assets.

In such case the Charter Capital of the Company shall be reduced by reducing the par value of its shares.

7.11. Within 30 days of the resolution to reduce its Charter Capital, the Company shall notify its creditors in writing about the reduction and the adjusted amount of the Charter Capital of the Company and publish an announcement of the approved resolution in a print edition designated for publication of information about the state registration of legal entities.

7.12. In reducing its Charter Capital the Company shall be guided by restrictions

established by Federal laws.

Net Assets

7.13. The value of the Company's net assets shall be appraised based on accounting data in the manner established by the Russian Federation Ministry of Finance and the federal executive authority in charge of the securities market.

8. COMPANY SHARES

Types of Shares to Be Placed by the Company. General Rights and Duties of Shareholders.

8.1. The Company shall have the right to place common shares.

8.2. All shares in the Company shall be registered.

8.3. All shares shall be issued by the Company in the non-documentary form.

8.4. The shareholders shall not be liable for the Company's obligations and shall bear the risk of losses related to its operation to the extent of the value of their shares.

8.5. A shareholder shall:

- comply with the requirements of the Charter;
- pay for shares upon their placement, within the time, in the manner and using the means provided for under the laws of the Russian Federation, the Company's Charter and the agreement on the share placement; and
- perform other duties provided for under the laws of the Russian Federation, the Company's Charter and resolutions of the General Meeting of Shareholders of the Company that fall within its competence.

8.6. In the instances provided for under the laws of the Russian Federation a party who, independently or jointly with its affiliate(s), has acquired 30 or more percent of outstanding common shares in the Company with due regard for the number of shares already held by such party shall be obliged, within 30 days of the acquisition date, to invite shareholders to sell their common shares in the Company and issuable securities convertible into common shares, to such party at the price equal to their market price, which in any event may not be lower than their average weighted price for the six months preceding the acquisition date.

8.7. The holders of the Company shares shall have the following general rights:

- to dispose of their shares without consent of other shareholders or the Company;
- the Company shareholders shall have the preemptive right to acquire additional shares and issuable securities convertible into shares, which are placed by open subscription, in a number proportionate to the number of shares of the relevant category (type) which they hold;
- the Company shareholders that voted against or did not participate in the voting on the matter of placing shares by closed subscription and issuable securities convertible into shares shall have the preemptive right to acquire additional shares and issuable securities convertible into shares to be placed by closed subscription, in a number proportionate to the number of shares of the relevant category (type) which they hold. Such right shall not apply to a placement of shares and other issuable securities convertible into shares, to be carried out in the form of closed subscription among the shareholders only, if, at that, the shareholders have a possibility to acquire a whole number of shares and other issuable securities convertible into shares scheduled for placement, in proportion to the number of shares of the relevant category (type) which they hold;
- to receive a portion of the net profit (dividends) to be distributed among shareholders in the manner prescribed by the law and this Charter, subject to the category (type) of the shares which they hold;
- to receive a portion of the property and other assets of the Company (liquidation quota) which remain upon the liquidation of the Company, in proportion to the number of shares of the relevant category (type) which they hold;
- to obtain information about the Company's operations and have access to the Company's documents in the manner and to the extent provided for under the law and the Charter and to obtain copies for a charge;
- to obtain an extract from the register of holders of registered securities, evidencing their rights to shares; and

- to exercise other rights provided for under the laws of the Russian Federation, the Company's Charter and resolutions of the General Meeting of Shareholders that fall within its competence.

Common Shares

8.8. Each common share in the Company shall have the same par value and shall endow the shareholder holding it the same amount of rights.

8.9. The shareholders holding common shares in the Company may, as per the Federal Law "On Joint Stock Companies", participate in the General Meeting of Shareholders with the right to vote on all matters within its competence and shall be entitled to receive dividends and, in the event of the Company liquidation, to receive a portion of its property (liquidation quota).

Voting Shares

8.10. Such share shall be a voting share the holder of which has the right to vote on all matters within the competence of the General Meeting of Shareholders or on certain matters in accordance with the Federal Law "On Joint Stock Companies".

8.11. The shares voting on all matters within the competence of the General Meeting of Shareholders shall endow their holders:

- the right to participate in a vote (including absentee vote) at the General Meeting of Shareholders on all matters within its competence;
- the right to suggest candidates to bodies of the Company in the manner and on the terms provided for by law and this Charter;
- the right to propose items to be put on the agenda of the annual General Meeting of Shareholders in the manner and on the terms provided for by law and this Charter;
- the right to request, for review, the list of those entitled to participate in the General Meeting of Shareholders in the manner and on the terms provided for by law and this Charter;
- the right to access accounting documents in the manner and on the terms provided for by law and this Charter;
- the right to request a convocation of an extraordinary General Meeting of Shareholders or a review of the Company's financial and business operations by the Internal Audit Commission in the manner and on the terms provided for by law and this Charter;
- the right to request that the Company buy out all or a portion of its shares in the instances determined by law; and
- other rights provided for by law or the Company's Charter.

9. ACQUISITION OF SHARES PLACED BY THE COMPANY

9.1. The Company shall be entitled to acquire its outstanding shares under a resolution of the General Meeting of Shareholders to reduce the Company's Charter Capital by acquisition of a portion of the outstanding shares with a view to reduce their total number.

9.2. The shares acquired by the Company on the basis of a resolution of the General Meeting of Shareholders to reduce the Company's Charter Capital by acquisition of a portion of shares with a view to reduce their total number shall be redeemed upon their acquisition.

9.3. The Company may acquire its outstanding shares under a decision of the Board of Directors in accordance with Clause 2 of Article 27 of the Federal Law "On Joint Stock Companies".

9.4. Shares acquired by the Company under Item 2 of Art. 72 of the Federal Law on Joint Stock Companies shall not grant voting rights, they shall not be taken into account during calculation of votes and no dividends shall be paid on such shares. Such shares shall be sold at the price at least equal to their market price, within one year from the date of acquisition. Otherwise the General Meeting of Shareholders shall decide that the Charter Capital of the Company should be reduced by way of paying off the said shares.

9.5. The outstanding shares acquired by the Company shall be paid for with moneys, securities, other property, or property or other rights that have monetary value.

9.6. Upon approval of a resolution to acquire outstanding shares the Company shall be guided by the restrictions established by Federal laws.

10. DIVIDENDS

10.1. The dividends shall be paid out of the Company's profit after tax (net profit). The net profit of the Company shall be determined on the basis of the Company's financial statements.

10.2. The Company may resolve on (declare) the payment of dividends on outstanding shares based on the results for the first quarter, the first six months, and the first nine months of a fiscal year and/or the results for a fiscal year, unless otherwise stipulated by law. A resolution to pay (declare) dividends based on the results for the first quarter, the first six months, and the first nine months of a fiscal year may be adopted within three months after the end of the respective period.

Resolutions to pay (declare) dividends, including resolutions on the amount of a dividend on each category (type) of shares and the form of its payment shall be approved by the General Meeting of Shareholders. The amount of dividends may not be higher than that recommended by the Board of Directors (Supervisory Council) of the Company.

10.3. Dividends shall be paid in the monetary form. By a resolution of the General Meeting of Shareholders of the Company dividends may be paid in a form, other than monetary form, which is to be determined by a resolution of the General Meeting of Shareholders of the Company based on the suggestion of the Company's Board of Directors.

10.4. The dividends for the first quarter, the first six months, and the first nine months of a fiscal year shall be paid within 60 days of the date of the resolution to pay (declare) such dividends.

The dividends for a fiscal year shall be paid by 31 December of the current year.

10.5. For the purpose of dividend payment, a list of those entitled to receive dividends shall be drawn up at the Company. Such list shall be drawn up at the date for the drawing up a list of those entitled to participate in the General Meeting of Shareholders, which is to resolve on the payment of relevant dividends.

10.6. When adopting a resolution on (declaring) the payment of dividends and making the payment of dividends the Company shall be guided by the restrictions established by Federal laws.

11. STRUCTURE OF THE COMPANY'S GOVERNING BODIES

11.1. The governing bodies of the Company are as follows:

- General Meeting of Shareholders;
- Board of Directors;
- collective executive body (Management Board); and
- sole executive body (President).

In the event of appointment of a liquidation committee it shall assume all the duties related to the management of the affairs of the Company.

11.2. The financial and business operations of the Company shall be monitored by the Internal Audit Commission.

11.3. The Board of Directors, the sole executive body, and the Internal Audit Commission shall be elected by the General Meeting of Shareholders.

11.4. The collective executive body of the Company (Management Board) shall be formed by the Board of Directors.

11.5. The liquidation committee shall be elected by the General Meeting of Shareholders in the event of voluntary liquidation of the Company and shall be appointed by a court (arbitration court) in the event of compulsory liquidation.

12. GENERAL MEETING OF SHAREHOLDERS

Competence of the General Meeting of Shareholders

12.1. The General Meeting of Shareholders is the Company's supreme body of governance.

The General Meeting of Shareholders (if held in the form of a joint personal presence of shareholders) shall be held in a city, which is a seat of the Company, i.e. in Moscow or in Krasnodar, Krasnoyarsk, Saint-Petersburg and Khabarovsk.

The address of the venue for joint personal attendance by the shareholders shall be defined by the Company Board of Directors.

12.2. The following matters shall come under the competence of the General Meeting of Shareholders:

- 1) amendments and addenda to and restatement of the Charter of the Company (except for the instances provided for under Clauses 2 through 5 of Article 12 of the Federal Law "On Joint Stock Companies";
- 2) reorganization of the Company;
- 3) liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;
- 4) election of the members of the Board of Directors of the Company;
- 5) early termination of the powers of the members of the Board of Directors of the Company;
- 6) formation of the sole executive body of the Company;
- 7) early termination of the powers of the sole executive body of the Company;
- 8) election of the members of the Internal Audit Commission of the Company;
- 9) early termination of the powers of the members of the Internal Audit Commission of the Company;
- 10) approval of the Company auditor;
- 11) approval of the numerical membership of the Counting Commission;
- 12) election of the members of the Counting Commission;
- 13) early termination of the powers of the members of the Counting Commission;
- 14) determination of the number, par value, category (type) of authorized shares and the rights attached to such shares;
- 15) increase of the Charter Capital of the Company by way of increase of the par value of shares;
- 16) increase of the Charter Capital of the Company by way of placement of additional shares;
- 17) reduction of the Charter Capital of the Company by way of reduction of the par value of shares, by way of acquisition by the Company of a portion of shares with a view of reducing their total number, and by way of redemption of shares acquired or repurchased by the Company (shares that are at the disposal of the Company);
- 18) approval of the annual report(s);
- 19) approval of the annual financial statements, including the profit and loss statements (profit and loss accounts);
- 20) distribution of profits and losses of the Company based on the results for a fiscal year;
- 21) payment (declaration) of dividends for the first quarter, the first six months, the first nine months and a fiscal year;
- 22) determination of the rules of procedure of the General Meeting of Shareholders;
- 23) split and consolidation of shares;
- 24) adoption of resolutions on the approval of transactions in the instances provided for under Article 83 of the Federal Law "On Joint Stock Companies";
- 25) adoption of resolutions on the approval of major transactions in the instances provided for under Article 79 of the Federal Law "On Joint Stock Companies";
- 26) making a decision on participation in financial and industrial groups, associations and other unions of commercial organizations;
- 27) adoption of a resolution on an audit of the financial and business operations of the Company by the Internal Audit Commission;
- 28) approval of internal documents regulating the operation of the Company's bodies;
- 29) adoption of resolutions on the remuneration payable to and/or reimbursement of expenses incurred by, the members of the Board of Directors in connection with the performance of their duties as members of the Board of Directors in the period when they are in office; determination of the amounts of such remuneration and reimbursement;
- 30) adoption of resolutions on the remuneration payable to and/or reimbursement of expenses incurred by, the members of the Internal Audit Commission in connection with the performance of their duties for the period when they are in office; determination of the amounts of such remuneration and reimbursement;
- 31) adoption of resolutions on the reimbursement of the individuals and bodies

initiating the holding of an extraordinary General Meeting of Shareholders for the expenses related to the preparation and holding of such meeting, at the Company's expense;

32) determination of a list of additional documents that must be kept at the Company;

33) acquisition of the Company's outstanding shares under Clause 1 of Article 72 of the Federal Law "On Joint Stock Companies"; and

34) other matters referred to the competence of the General Meeting of Shareholders under the Federal Law "On Joint Stock Companies";

12.3. The General Meeting may not consider and resolve on the matters that do not fall within its competence under the Federal Law "On Joint Stock Companies" and the Company's Charter.

12.4. The General Meeting may not adopt resolutions on matters that are not on its agenda and change the agenda.

12.5. The General Meeting of Shareholders shall be chaired by the Chairman of the Board of Directors of the Company or, if he/she is not present or refuses to act as chairman, one of the members of the Board of Directors, at the option of the members of the Board of Directors.

Adoption of Resolutions by the General Meeting of Shareholders

12.6. A resolution of the General Meeting of Shareholders on a matter put to a vote shall be adopted by a majority of votes of the shareholders holding voting shares of the Company, which take part in the meeting, unless otherwise stipulated by the Federal Law "On Joint Stock Companies" in respect of adoption of resolutions.

12.7. The General Meeting of Shareholders may adopt resolutions on the following matters on the suggestion of the Board of Directors only:

1) reorganization of the Company;

2) increase of the Charter Capital of the Company by way of increase of the par value of shares;

3) increase of the Charter Capital of the Company by way of placement of additional shares;

4) split and consolidation of shares;

5) adoptions of resolutions on the approval of transactions in the instances provided for under Article 83 of the Federal Law "On Joint Stock Companies";

6) adoption of resolutions on the approval of major transactions in the instances provided for under Article 79 of the Federal Law "On Joint Stock Companies";

7) making a decision on participation in financial and industrial groups, associations and other unions of commercial organizations;

8) approval of internal documents regulating the operation of the Company's bodies;

9) acquisition of the Company's outstanding shares under Clause 1 of Article 72 of the Federal Law "On Joint Stock Companies"; and

10) in other instances provided for under the laws of the Russian Federation and this Charter.

12.8. The General Meeting of Shareholders shall adopt resolutions on the following matters by a three-quarter majority of votes of the shareholders holding voting shares, which participate in the General Meeting of Shareholders:

1) amendments and addenda to and restatement of the Charter of the Company (except for the instances provided for under Clauses 2 through 5 of Article 12 of the Federal Law "On Joint Stock Companies";

2) reorganization of the Company;

3) liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;

4) determination of the number, par value, category (type) of authorized shares and the rights attached to such shares;

5) increase of the Charter Capital of the Company by way of placement of additional shares by closed subscription;

6) placement of the Company's issuable securities convertible into shares by closed subscription;

7) increase of the Charter Capital of the Company by way of placement, by open subscription, of common shares constituting over 25 percent of previously placed common

shares;

8) placement, by open subscription, of issuable securities that can be converted into common shares constituting over 25 percent of previously placed common shares;

9) adoption of resolutions on the approval of major transactions in the instance provided for under Clause 3 of Article 79 of the Federal Law "On Joint Stock Companies"; and

10) acquisition of the Company's outstanding shares under Clause 1 of Article 72 of the Federal Law "On Joint Stock Companies".

12.9. If the following items are separately included in the agenda of the General Meeting of Shareholders:

a) on early termination of the powers of members of the Board of Directors, the sole executive body, members of the Internal Audit Commission or members of the Counting Commission;

b) on the formation of the sole executive body and on the election of the Board of Directors, the members of the Internal Audit Commission or the members of the Counting Commission,

then if a resolution on early termination of the powers is not approved, no results of a vote on the new composition of the body shall be determined.

12.10. The resolutions approved by the General Meeting of Shareholders and the voting results shall be declared at the General Meeting of Shareholders at which the voting took place or communicated, within 10 days from the date the minutes of the voting results are drawn up in the form of a report on the voting results, to the persons included in the list of those entitled to participate in the General Meeting of Shareholders, in the manner provided for in respect of an announcement about the General Meeting of Shareholders.

No resolution of the General Meeting of Shareholders on an item on the agenda of the meeting shall be deemed to have been adopted and may be declared, before the results of the voting on all items on the agenda are determined.

Announcement of a General Meeting of Shareholders

12.11. An announcement of a General Meeting of Shareholders shall be made at least 30 days prior to the date of such meeting.

Should the proposed Agenda of the extraordinary general shareholders' meeting contain the issue on election of the Company Board of Directors, the notification on the meeting shall be made at least 70 days prior to the date of such a meeting.

Within the said period, an announcement of the General Meeting of Shareholders shall be published in the following print periodicals: Rossiyskaya Gazeta and Izvestiya.

An announcement of the General Meeting of Shareholders shall be placed on the website of the Company on the Internet.

The Company may additionally notify its shareholders of the General Meeting of Shareholders via the mass media (television, radio), including electronic media, by electronic mail and by other permitted means.

12.12. The information (materials) to be provided to those entitled to participate in the General Meeting of Shareholders in preparation for the General Meeting of Shareholders shall include the following documents (to the extent that the relevant matters are included in the agenda of the General Meeting of Shareholders):

- annual report(s);
- annual financial statements;
- auditor's opinion;
- assessment of the auditor's opinion by the audit committee;
- opinion of the Company's Internal Audit Commission based on the results of the audit of the annual financial statements;
- opinion of the Internal Audit Commission on the accuracy of information in the annual report(s);
- information on a candidate(s) to the executive bodies of the Company, the Board of Directors, the Internal Audit Commission, and the Counting Commission of the Company;
- information on a candidate(s) proposed as the auditor of the Company;

- draft addenda and amendments to or a draft restated version of, the Charter of the Company, specifying those who proposed them;
- draft addenda and amendments to or drafts of new versions of, internal documents of the Company, specifying those who proposed them;
- recommendations of the Board of Directors of the Company on the distribution of profits, including recommendation on the amount of a dividend on the Company shares and its payment, and of losses of the Company for a fiscal year;
- draft resolutions on all items on the agenda of the General Meeting of Shareholders, specifying those who proposed them; and
- other documents and materials provided for under the laws of the Russian Federation and the Company's Charter.

The information that must be provided to those entitled to participate in a General Meeting in preparation for the General Meeting with the agenda including election of the members of the Board of Directors, the members of the Internal Audit Commission, and the members of the Counting Commission and the formation of the sole executive body of the Company, shall include:

- information about whether the candidates nominated to the respective body of the Company have given their written consent thereto.

The additional information (materials) that must be provided to those entitled to participate in a General Meeting in preparation for the General Meeting with the agenda including the items the voting on which may create the right to demand the repurchase of shares by the Company shall include:

- an independent appraiser's report on the market value of the Company's shares the repurchase of which may be demanded from the Company;
- a calculation of the Company's net assets value based on the financial statements of the Company for the last completed reporting year;
- minutes (extract from the minutes) of the meeting of the Company's Board of Directors, where it was decided to determine the price for the repurchase of the Company shares, specifying the price for the shares to be repurchased.

The additional information (materials) that must be provided to those entitled to participate in a General Meeting in preparation for the General Meeting with the agenda including the reorganization of the Company shall include:

- substantiation of the terms of and procedures for the Company reorganization, which are set out in the resolution on the demerger, spin-off or transformation or in the agreement on the merger or takeover as approved (adopted) by the Company's authorized body;
- annual reports and annual financial statements of all companies that take part in the reorganization for the three completed fiscal years preceding the date of the General Meeting or for each completed fiscal year from the date of the company establishment, if such company has been operating less than three years; and
- quarterly financial statements of all companies that take part in the reorganization for the last completed quarter preceding the date of the General Meeting.

In addition to the means of provision of the information (materials) listed in this Clause to those entitled to participate in the General Meeting of Shareholders, the Company shall ensure that such information is available for review on the Company's web-site on the Internet.

Proposal of Items for Agenda of General Meeting of Shareholders

12.13. The shareholders (shareholder) holding at least two percent of the voting shares of the Company may include items on the agenda of an annual General Meeting of Shareholders and nominate candidates to the Board of Directors, the Internal Audit Commission (internal auditors) and the Counting Commission of the Company, the number of which shall not exceed the numerical membership of the relevant body, and a candidate to the position of the sole executive body.

Such proposals shall be submitted to the Company within 60 days of the fiscal year end.

12.14. If the proposed agenda of an extraordinary General Meeting of Shareholders includes the issue of election of the members of the Board of Directors, the Company shareholders (shareholder) holding, in aggregate, at least two percent of the voting shares of the Company may nominate candidates to the Board of Directors, the number of which shall not

exceed the numerical membership of the Company's Board of Directors as determined in the Company's Charter.

Such proposals shall be submitted to the Company at least 30 days prior to the date of the extraordinary General Meeting of Shareholders.

12.15. A proposal on the inclusion of items on the agenda of the General Meeting of Shareholders shall contain the language of each item proposed. A proposal on the inclusion of items on the agenda of the General Meeting of Shareholders may contain the language of the resolution on each matter proposed.

12.16. A proposal on the nomination of candidates for election at the General Meeting of Shareholders shall contain the name of the body to which such candidate is proposed for election and the following information on each of the candidates:

- full name;
- date of birth;
- identification document details (series and/or number, date and place of issue, issuing authority);
- education;
- places of employment and positions for the last five years in the chronological order, including part-time jobs;
- positions held in the governing bodies of other legal entities for the last five years;
- list of the legal entities in which the candidate has a participatory share, specifying the number of his/her stocks and his/her ownership interest or share in the Charter (Share) Capital of such legal entities;
- list of the candidate's affiliates, including the grounds for such affiliation;
- nature of any kinship relationships with persons holding office on the Company's governing bodies or bodies supervising the financial and business operations of the Company; and
- contact details of the candidate.

12.17. Proposals on the inclusion of items on the agenda of the General Meeting of Shareholders and on the nomination of candidates shall be submitted in writing, specifying the names (name) of the proposing shareholders (shareholder) and the number and the category (type) of their shares and shall be signed by the shareholders (shareholder).

12.18. The Board of Directors of the Company shall consider the proposals submitted and resolve to include or not to include them in the agenda of the General Meeting of Shareholders within five days from the deadlines set in the Charter for the acceptance, by the Company, of proposals on the inclusion of items in agenda of the General Meeting of Shareholders and the nomination of candidates to the Board of Directors and the Internal Audit Commission of the Company and a candidate to the position of the sole executive body, and after the deadline for the acceptance, by the Company, of proposals for the agenda of an extraordinary General Meeting of Shareholders with respect to the nomination of candidates to the Board of Directors of the Company.

12.19. An item proposed by shareholders (shareholder) shall be included in agenda of the General Meeting of Shareholders, and nominated candidates shall be included in the list of candidates to be voted on for election to the relevant body of the Company, unless:

- the shareholders (shareholder) failed to meet the deadlines set in the Charter for the submission of items to be included in the agenda and for the nomination of candidates to be voted on at the General Meeting of Shareholders;
- the shareholders (shareholder) failed to meet the deadlines set in the Charter for the nomination of candidates for election to the members of the Board of Directors at an extraordinary General Meeting of Shareholders;
- the shareholders (shareholder) who signed such proposal do not/does not hold the number of the voting shares of the Company as provided for under Clauses 1 and 2 of Article 53 of the Federal Law "On Joint Stock Companies";
- the proposal fails to meet the requirements provided for under Clauses 3 and 4 of Article 53 of the Federal Law "On Joint Stock Companies" and the Company's Charter; or
- the item proposed for inclusion in the agenda of the General Meeting of Shareholders is not referred to its competence under law and the Company's Charter and/or fails to meet the requirements of the Federal Law "On Joint Stock Companies" or other legal acts of the Russian Federation.

12.20. The motivated refusal of the Board of Directors of the Company to include the proposed item in the agenda of the General Meeting of Shareholders or the proposed candidate in the list of candidates to be voted on in the election to the relevant body of the Company shall be sent to the proposing or nominating shareholders (shareholder) within three days of such refusal.

12.21. The Board of Directors of the Company may not change the language of items proposed for inclusion in the agenda of a General Meeting of Shareholders or the language of the resolutions on such items.

12.22. In addition to items proposed by shareholders for inclusion in agenda of a General Meeting of Shareholders or in the absence of such proposed items or absence or insufficient number of candidates proposed by shareholders for the creation of the relevant body, the Board of Directors of the Company may include items on the agenda of the General Meeting of Shareholders or candidates in the list of candidates at its discretion.

Extraordinary General Meeting of Shareholders

12.23. An extraordinary General Meeting of Shareholders shall be held under a resolution of the Company's Board of Directors and on its initiative or at the request of the Internal Audit Commission of the Company, the auditor of the Company or shareholders (shareholder) holding, in aggregate, at least ten percent of the voting shares of the Company as of the date of such request.

The convocation of an extraordinary General Meeting of shareholders at the request of the Internal Audit Commission of the Company, the auditor of the Company or shareholders (shareholder) holding at least ten percent of the voting shares of the Company shall be effected by the Company's Board of Directors.

12.24. The Board of Directors shall resolve to convene an extraordinary General Meeting of Shareholders or refuse to convene it within five days from the date of a request of the Internal Audit Commission of the Company, the auditor of the Company or shareholders (shareholder) holding at least ten percent of the voting shares of the Company.

A resolution of the Company's Board of Directors to convene an extraordinary General Meeting of Shareholders or a motivated refusal to convene it shall be sent to the persons requesting its convocation within three days of the date of such resolution.

A resolution to refuse to convene an extraordinary General Meeting of Shareholders requested by the Internal Audit Commission of the Company, the auditor of the Company or shareholders (shareholder) holding at least ten percent of the voting shares of the Company may only be adopted on the grounds set forth in the Federal Law "On Joint Stock Companies".

A refusal of the Company's Board of Directors to convene an extraordinary General Meeting of Shareholders may be appealed in court.

12.25. An extraordinary General Meeting of Shareholders convened at the request of the Internal Audit Commission of the Company, the auditor of the Company or shareholders (shareholder) holding at least ten percent of the voting shares of the Company shall be held within 40 days from the date of the request to hold the extraordinary General Meeting of Shareholders.

If the proposed agenda of an extraordinary General Meeting of Shareholders includes election of the members of the Company's Board of Directors, such General Meeting of Shareholders shall be held within 70 days from the date of the request to hold the extraordinary General Meeting of Shareholders.

This rule applies both to the instances where the proposed agenda of an extraordinary General Meeting of Shareholders only contains items on early termination of the powers of all the members of the Company's Board of Directors and election of members of the Company's Board of Directors and to the instances where other items are included in the proposed agenda, in addenda to the aforesaid items.

For the purposes of this Clause the date of receipt, by the Company, of a request to convene an extraordinary General Meeting of Shareholders shall be deemed to be the date of submission of such request.

12.26. In the instances where the Company's Board of Directors is to resolve, pursuant to Articles 68 - 70 of the Federal Law "On Joint Stock Companies", to hold an extraordinary General Meeting of Shareholders, such General Meeting of Shareholders shall be held within

40 days from the date of the resolution of the Company's Board of Directors to hold it.

12.27. In case the Company Board of Directors is to make a decision in accordance with the Federal Law on Joint Stock Companies on the extraordinary general shareholders' meeting to hold the election of the Board members, such a general shareholders' meeting shall be held within 90 days from the date of the decision on the meeting by the Company Board of Directors.

12.28. If, within the period set by the Federal Law "On Joint Stock Companies", the Board of Directors fails to resolve to convene an extraordinary General Meeting of Shareholders or resolves to deny its convocation, such extraordinary General Meeting of Shareholders may be convened by the requesting bodies and persons.

The bodies and persons convening an extraordinary General Meeting of Shareholders shall have the powers required to convene and hold the General Meeting of Shareholders as provided for under the Federal Law "On Joint Stock Companies".

In such case the costs for the preparation and holding of the General Meeting of Shareholders may be reimbursed at the expense of the Company under a resolution of the General Meeting of Shareholders.

Quorum of General Meeting of Shareholders

12.29. The General Meeting of Shareholders is authorized (shall have a quorum) if taking part in it are shareholders holding, in aggregate, more than one-half of the votes attached to the Company's outstanding voting shares.

Shareholders registered for participation in the General Meeting of Shareholders held in the form of joint presence and shareholders whose ballots were received at least two days prior to the date of the General Meeting of Shareholders shall be deemed to have taken part in the General Meeting of Shareholders.

Shareholders whose ballots were received prior to the deadline for the acceptance of ballots shall be deemed to have taken part in the General Meeting of Shareholders held in the form of an absentee vote.

12.30. In the event the agenda of the General Meeting of Shareholders held in the form of joint presence contains items to be voted on by different voters, the quorum for resolutions on such items shall be ascertained separately.

The General Meeting of Shareholders is authorized (shall have a quorum) for adopting resolutions on matters put to a vote, if taking part in it are shareholders holding, in aggregate, more than one-half of the votes attached to the Company's outstanding voting shares that entitle the shareholders holding them to vote on a resolution with respect to such matter.

The absence of a quorum for resolutions on matters to be voted on by particular voters shall not prevent the adoption of resolutions on matters to be voted on by different voters the quorum for which is present.

A General Meeting held in the form of joint presence shall open if by the time of its commencement there is a quorum for at least one of the items included in the agenda of such General Meeting.

12.31. A quorum of resolutions on items of the agenda of the General Meeting of Shareholders held in the form of an absentee vote shall be ascertained separately for each item of the agenda. The General Meeting of Shareholders held in the form of an absentee vote shall have a quorum, i.e. may adopt a resolution on an agenda item, if taking part in it are shareholders holding, in aggregate, more than one-half of the Company shares voting on such agenda item.

The absence of a quorum for resolutions on matters to be voted on by particular voters shall not prevent the adoption of resolutions on matters to be voted on by different voters the quorum for which is present.

Adjourned General Meeting of Shareholders

12.32. In the absence of a quorum for holding of an annual General Meeting of Shareholders, an adjourned General Meeting of Shareholders shall be held with the same agenda.

In the absence of a quorum for the holding of an extraordinary General Meeting of Shareholders, an adjourned General Meeting of Shareholders with the same agenda may be held.

The adjourned General Meeting of Shareholders shall be held at the same venue where the original General Meeting was held.

The aspects related to the preparation and holding of an adjourned General Meeting of Shareholders, including its date and time, shall be determined by the Company's Board of Directors pursuant to Article 54 of the Federal Law "On Joint Stock Companies", except in the instances provided for under Clause 8 of Article 55 of the Federal Law "On Joint Stock Companies".

12.33. An adjourned General Meeting of Shareholders is authorized (shall have a quorum) if taking part in it are shareholders holding, in aggregate, at least 30 percent of the votes attached to the outstanding voting shares in the Company.

If the agenda of an adjourned General Meeting of Shareholders contains items to be voted on by different voters, the quorum for resolutions on such items shall be ascertained separately.

An adjourned General Meeting of Shareholders is authorized (shall have a quorum) for the adoption of a resolution on a matter put to a vote, if taking part in it are shareholders holding, in aggregate, at least 30 percent of the votes attached to the outstanding voting shares in the Company entitling their holders to vote on such matter.

The absence of a quorum for resolutions on matters to be voted on by particular voters shall not prevent the adoption of resolutions on matters to be voted on by different voters the quorum for which is present.

12.34. An announcement of an adjourned General Meeting of Shareholders shall be made as required under Article 52 of the Federal Law "On Joint Stock Companies". The provisions of paragraph two of Clause 1 of Article 52 of the Federal Law "On Joint Stock Companies" shall not apply. The ballots for the voting at an adjourned General Meeting of Shareholders shall be delivered or sent as required under Article 60 of the Federal Law "On Joint Stock Companies".

In the event an adjourned General Meeting of Shareholders is held sooner than 40 days after the original General Meeting of Shareholders, those entitled to take part in the General Meeting of Shareholders shall be determined as per the list of those entitled to take part in the original General Meeting of Shareholders.

Voting Ballots

12.35. Voting on items of the agenda of the General Meeting of Shareholders shall be by voting ballots.

12.36. A voting ballot shall be delivered against signature to each of the persons specified in the list of those entitled to take part in the General Meeting of Shareholders (his/her proxy), who have registered for participation in the General Meeting of Shareholders, except for the instances provided for under paragraph two and three of this Clause.

When a General Meeting of Shareholders is held in the form of an absentee vote, a voting ballot shall be sent or delivered against signature to each of the persons specified in the list of those entitled to take part in the General Meeting of Shareholders no later than 20 days prior to the date of the General Meeting of Shareholders.

If the number of shareholders holding voting shares of the Company reaches or exceeds 1,000, a voting ballot shall be sent or delivered against signature to each of the persons specified in the list of those entitled to take part in the General Meeting of Shareholders no later than 20 days prior to the date of the General Meeting of Shareholders.

Voting ballots shall be sent by registered mail.

12.37. When the General Meeting of Shareholders, other than the General Meeting of Shareholders held in the form of an absentee vote, is held, the persons included in the list of those entitled to take part in the General Meeting of Shareholders (their proxies) may take part in such meeting or send filled out voting ballots to the Company. The quorum shall be ascertained and the voting results shall be determined with due regard for the votes represented by voting ballots received by the Company at least two days prior to the date of the General Meeting of Shareholders.

12.38. Voting ballots shall contain the information specified in Clause 4 of Article 60 of the Federal Law "On Joint Stock Companies" and other regulations. Voting ballots may contain additional information determined by the Board of Directors when approving the form and the text of a voting ballot.

12.39. When voting by ballot, votes on only those matters shall be counted for which the

voting person left only one of the possible voting options. Voting ballots filled out without complying with the said requirement shall be recognized as invalid.

If a matter that is voted on by ballot contains the language of more than one resolution on the matter and the voting option "AYE" is left for the proposed language of more than one resolution, the ballot shall be recognized as invalid.

If, when voting on a resolution on the formation of the sole executive body or the approval of the Company auditor, the voting option "AYE" is left in respect of more than one candidate, the ballot shall be recognized as invalid.

If, when electing the Internal Audit Commission of the Company, the voting option "AYE" is left for a higher number of candidates than there are vacancies, the ballot shall be recognized as invalid.

If, when electing the Counting Commission of the Company, the voting option "AYE" is left for a higher number of candidates than there are vacancies, the ballot shall be recognized as invalid.

If, when electing the Company's Board of Directors by a cumulative vote, a shareholder distributes a higher number of votes between the candidates than there are at such shareholder's disposal, the ballot shall be recognized as invalid.

If a voting ballot contains several matters put to a vote, failure to comply with the aforesaid requirements in respect to one or more matters shall not result in the invalidation of the voting ballot as a whole.

When a meeting in the form of an absentee vote is held, the ballots received by the Company after the date of the General Meeting of Shareholders (deadline for the acceptance of voting ballots) shall be recognized as invalid.

If a ballot is recognized as invalid, the votes on the matters contained therein shall not be counted.

The rules set out in this Clause shall apply subject to the restrictions provided for under current laws.

Counting Commission

12.40. The functions of the Company's Counting Commission shall be performed by the registrar of the Company.

12.41. The Counting Commission shall:

- check the powers of and register the persons that take part in the General Meeting of Shareholders,
- ascertain the quorum of the General Meeting of Shareholders and the quorum for resolutions on each item on the agenda,
- give explanations on questions arising in connection with the exercise by shareholders (their proxies) of the voting rights at General Meetings,
- explain the procedure for the voting on matters put to a vote,
- ensure that the established procedures for the voting are complied with and the shareholders' rights to take part in the voting can be exercised,
- count votes and determine the voting results,
- draw up minutes of the voting results, and
- hand over the voting ballots to the archives.

13. COMPANY'S BOARD OF DIRECTORS

Competence of the Board of Directors

13.1. The Board of Directors of the Company shall be responsible for overall management of the Company's operations, with the exception of the matters reserved to the competence of the General Meeting of Shareholders under Federal laws and the Company's Charter.

13.2. The following matters shall come under the competence of the Board of Directors of the Company:

- 1) determination of the priority lines of the Company's activities, including the

approval of plans of its financial and business operations;

2) convocation of an annual or extraordinary General Meetings of Shareholders, except for the instances provided for under Clause 8 of Article 55 of the Federal Law "On Joint Stock Companies";

3) approval of the agenda of the General Meeting of Shareholders;

4) setting of the date for the drawing up of the list of those entitled to take part in the General Meeting of Shareholders and other matters referred to the competence of the Board of Directors of the Company in accordance with the provisions of Chapter VII of the Federal Law "On Joint Stock Companies" and related to the preparation and holding of the General Meeting of Shareholders;

5) preliminary approval of the Company's annual report(s);

6) placement of shares, bonds and other issuable securities to the extent permitted by applicable law;

7) approval of resolutions of the issuance of securities, issue prospectuses and on addenda and amendments thereto;

8) determination of the price (monetary value) of property and the offering price and the buyout price of issuable securities in the instances provided for under the Federal Law "On Joint Stock Companies";

9) acquisition of shares placed by the Company under Clause 2 of Article 72 of the Federal Law "On Joint Stock Companies";

10) acquisition of bonds and other securities placed by the Company, in the instances provided for under the Federal Law "On Joint Stock Companies";

11) approval of a report on the results of acquisition of the shares acquired under Article 72 of the Federal Law "On Joint Stock Companies" for the purpose of their redemption;

12) recommendations for the General Meeting of Shareholders regarding the amount of remuneration and compensation payable to the members of the Company's Internal Audit Commission;

13) determination of the auditor's fees;

14) recommendations for the General Meeting of Shareholders regarding the amount of a dividend per shares and the manner in which it should be paid;

15) recommendations for the General Meeting of Shareholders on the distribution of profits and losses of the Company for a fiscal year;

16) determination of a list of funds to be created at the Company and the approval of regulations on the Company's funds;

17) use of the Company's reserve fund and other funds;

18) approval of the Company's internal documents, other than internal documents regulating the operation of the Company's bodies, to be approved by the General Meeting of Shareholders, as well as other internal documents of the Company the approval of which is referred to the competence of the Company's executive bodies under the Company's Charter, and the introduction of addenda and amendments thereto;

19) approval of regulations for bonuses and options;

20) approval of the Company's internal risk management procedures, analysis of their efficiency and ensuring that they are complied with;

21) approval of internal control procedures with respect to the Company's financial and business operations, including the approval of regulations on the internal control, documentary reviews and audits;

22) preliminary approval of nonstandard operations (operations that are not provided for under the financial and business plan) of the Company;

23) establishment and liquidation of branches, opening and liquidation of representative offices of the Company;

24) amendments to the Charter in connection with the establishment of branches and opening of representative offices of the Company and their liquidation;

25) approval of major transactions in the instances provided for under Chapter X of the Federal Law "On Joint Stock Companies";

26) approval of transactions related to the acquisition, disposal or potential disposal by the Company, either directly or indirectly, of property whose value constitutes more than 10 percent and less than 25 percent of the book value of the Company's assets as determined

based on its financial statements as of the last reporting date, other than transactions performed in the normal course of business of the Company, transactions related to the placement by subscription or sale of common shares in the Company, and transactions related to the placement of issuable securities convertible into common shares in the Company;

27) approval of transactions in the instances provided for under Chapter XI of the Federal Law "On Joint Stock Companies";

28) approval of the Company registrar and the terms of an agreement on the keeping of the register of holders of registered securities concluded with such registrar, and termination of such agreement;

29) adoption of a resolution on the inspection of the financial and business operations of the Company by the Internal Audit Commission;

30) determination of a list of additional documents that must be kept at the Company;

31) approval of the candidacy of an official in charge of compliance with the procedures for ensuring protection of the shareholders' rights (Corporate Secretary of the Company);

32) approval of the Secretary of the Board of Directors;

33) approval of an agreement with the person performing the duties of the sole executive body of the Company, including the terms on remuneration and other payments and the introduction of addenda and amendments to such agreement;

34) selection of the person authorized to execute, on behalf of the Company, an agreement with the persons performing the duties of the sole executive body;

35) giving of consent to the person, who performs the duties of the sole executive body of the Company, to hold positions on the governing bodies of other organizations;

36) determination of the numerical composition of the collective executive body of the Company (Management Board);

37) election of the members of the collective executive body of the Company (Management Board), early termination of the powers of certain members of the collective executive body of the Company (Management Board) or the powers of the entire membership of the collective executive body of the Company (Management Board);

38) approval of an agreement with a member of the collective executive body of the Company (Management Board), including the terms regarding remuneration and other payments and the introduction of addenda and amendments to such agreement;

39) determination of the person authorized to execute an agreement with a member of the collective executive body of the Company on behalf of the Company;

40) giving of consent to a member of the collective executive body of the Company (Management Board) to hold positions on the governing bodies of other organizations;

41) approval of the criteria for determining the amount of remuneration of the members of the Company Board of Directors;

42) determination of the position of the Company (Company representatives) when voting at the General Meeting of Shareholders (participants) or a meeting of the Board of Directors of subsidiary companies on the liquidation or reorganization of such companies;

43) decision-making on other matters referred to the competence of the Board of Directors under the Federal Law "On Joint Stock Companies".

13.3. The matters reserved to the Board of Directors may not be referred to the executive body of the Company.

13.4. Any matters related to the development and implementation of defense measures regarding mobilization training, civil defense, emergency situations and information protection issues, which constitute state secret, may not be considered at a meeting of the Board of Directors of the Company.

Election of the Board of Directors

13.5. The members of the Board of Directors of the Company shall be elected by the General Meeting of Shareholders for the period until the next annual General Meeting of Shareholders.

If an annual General Meeting of Shareholders is not held within the period specified in Clause 1 of Article 47 of the Federal Law "On Joint Stock Companies", the powers of the Board of Directors shall terminate, except for the powers to prepare for, convene, and hold an annual

General Meeting of Shareholders.

13.6. No member of the Board of Directors of the Company may be a shareholder of the Company. Only individuals may be members of the Board of Directors of the Company.

13.7. The Board of Directors shall be elected by a cumulative vote at the General Meeting of Shareholders and shall be composed of nine (9) members.

13.8. The General Meeting of Shareholders may resolve to early terminate the powers of the Board of Directors in respect of all the members of the Board of Directors only.

13.9. If the number of the members of the Board of Directors becomes less than the number that constitutes a quorum for the holding of a meeting of the Board of Directors as determined in this Charter, the Board of Directors of the Company shall decide to hold an extraordinary General Meeting of Shareholders to elect the new members of the Board of Directors of the Company. The remaining members of the Board of Directors of the Company may only decide on the convocation of such extraordinary General Meeting of Shareholders.

13.10. Committees shall be created within the Board of Directors. The formation and operation of such committees shall be governed by internal documents approved by the Board of Directors.

Chairman of the Board of Directors

13.11. The Chairman of the Board of Directors shall be elected by the members of the Board of Directors from among them by a majority of votes of all the members of the Board of Directors without consideration of the votes of the exiting members of the Board of Directors.

13.12. The Board of Directors of the Company may re-elect its Chairman at any time by a majority of votes of all the members of the Board of Directors without consideration of the votes of the exiting members of the Board of Directors.

13.13. The Chairman of the Board of Directors of the Company shall organize its work, convene and chair meetings of the Board of Directors, arrange for the keeping of minutes at its meetings, and, unless otherwise provided for hereunder, chair the General Meeting of Shareholders.

13.14. If the Chairman of the Board of Directors is not present, his/her duties shall be performed by one of the members of the Board of Directors by a decision of the Board of Directors of the Company.

Meeting of the Board of Directors

13.15. Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors on his/her own initiative or at the request of a member of the Board of Directors, the Internal Audit Commission of the Company, the Company auditor or an executive body of the Company.

13.16. When determining the presence of a quorum and the results of voting on the agenda items in the manner provided for under the Regulations on the Board of Directors, a written opinion of the Directors, who are not present at the meeting of the Board of Directors, shall be taken into account.

13.17. Decisions of the Board of Directors may be approved by an absentee vote. The procedures for the convocation and holding of meetings of the Board of Directors of the Company and the procedures for the approval of decisions by an absentee vote shall be determined under the Regulations on the Board of Directors.

The Board of Directors may not take decisions by an absentee vote on the following matters:

1) determination of the priority lines of the Company's activities, including the approval of annual, quarterly and other budgets of the Company (plans of its financial and business operations);

2) convocation of an annual or extraordinary General Meetings of Shareholders;

3) approval of the agenda of the General Meeting of Shareholders;

4) setting of the date for the drawing up of the list of those entitled to take part in the General Meeting of Shareholders and other matters referred to the competence of the Board of Directors of the Company under the provisions of Chapter VII of the Federal Law "On Joint Stock Companies" and related to the preparation and holding of the General Meeting of Shareholders;

5) preliminary approval of the Company's annual report(s);

6) election and re-election of the Chairman of the Board of Directors; and
7) creation of executive bodies of the Company in accordance with the Company's Charter.

13.18. The presence and/or the availability of a written opinion, of more than one-half of the elected members of the Board of Directors shall constitute a quorum for the holding of a meeting of the Board of Directors, except for the matters the decisions-making on which shall comply with other requirements provided for under the Federal Law "On Joint Stock Companies" or the Company's Charter.

13.19. A decision of the Board of Directors approved by an absentee vote shall be deemed valid, if more than one-half of the number of members of the Board of Directors established in the Company's Charter took part in the absentee vote, except for the matters the decisions-making on which shall comply with other requirements provided for under the Federal Law "On Joint Stock Companies" or the Company's Charter.

13.20. Decisions at meetings of the Board of Directors shall be approved by a majority of votes of the members of the Board of Directors of the Company who take part in the meeting and/or expressed their opinion in writing, unless otherwise provided for under the Federal Law "On Joint Stock Companies" or the Company's Charter.

In case of an absentee vote, a decision of the Board of Directors shall be deemed to have been approved, if more than one-half of the members of the Board of Directors, who take part in the absentee vote, voted in its favor, unless otherwise provided for under the Federal Law "On Joint Stock Companies" or the Company's Charter.

A resolution on the approval of an interested-party transaction shall be approved by the Board of Directors of the Company, by a majority of votes of independent directors who are not interested in the performance of such transaction. If the number of non-interested directors is less than the quorum for the holding of a meeting of the Board of Directors of the Company as determined in this Charter, a resolution on such matter shall be adopted by the General Meeting of Shareholders in the manner provided for under the Federal Law "On Joint Stock Companies".

If the number of shareholders holding the voting shares of the Company is more than 1,000, a resolution on the approval of an interested-party transaction shall be adopted by the Board of Directors of the Company, by a majority of votes of independent directors, who are not interested in the performance of such transaction. If all the members of the Board of Directors of the Company are recognized as interested parties and/or are not independent directors, such transaction may be approved by a resolution of the General Meeting of Shareholders to be adopted in the manner provided for under the Federal Law "On Joint Stock Companies".

Decisions on the approval of major transactions involving property whose value constitutes from 25 to 50 percent of the book value of the Company's assets shall be adopted unanimously by all the members of the Board of Directors without consideration of votes of the exiting members of the Board of Directors.

13.21. When deciding on matters at a meeting of the Board of Directors of the Company, each member of the Board of Directors of the Company shall have one vote.

No member of the Board of Directors shall be allowed to delegate his/her voting right to another person, including another member of the Board of Directors.

In case of equality of votes of the members of the Board of Directors of the Company on a resolution, the Chairman of the Board of Directors shall have a casting vote.

14. COMPANY'S EXECUTIVE BODIES

14.1. The day-to-day operations of the Company shall be managed by the sole executive body of the Company (President) and the collective executive body (Management Board). The executive bodies shall report to the Board of Directors of the Company and the General Meeting of Shareholders.

The person who performs the duties of the sole executive body of the Company (President) shall also perform the duties of the Chairman of the Management Board.

14.2. Competence of the executive bodies of the Company shall include all matters pertaining to the management of the day-to-day activities of the Company, except for the matters reserved to the General Meeting of Shareholders and the Board of Directors of the Company.

The executive bodies shall arrange for the carrying out of resolutions of the General

Meeting of Shareholders and the Board of Directors of the Company.

14.3. The sole executive body (President) shall act on behalf of the Company without a power of attorney, inter alia, representing its interests and concluding transactions on behalf of the Company within the limits established under the Federal Law "On Joint Stock Companies" and the Charter, approve the budget, structure, and staff, issue orders and give instructions that are binding upon all employees of the Company, and issue powers of attorney for representation of the Company.

The following matters shall come under the competence of the sole executive body of the Company (President):

- approval of regulations on the branches and representative offices of the Company and making of addenda and amendments thereto;
- appointment of heads of branches and representative offices and termination of their powers;
- proposals to the Board of Directors for the approval of candidates to the collective executive body of the Company (Management Board) and early termination of their powers;
- supervision of the preparation of annual report(s) and annual financial statements, for their submission to the Board of Directors, including profit and loss statements (profit and loss accounts) of the Company and reports on distribution of profits, including the payment (declaration) of dividends, and losses of the Company for a fiscal year;
- determination of the list of information containing state secret or constituting confidential information of the Company;
- implementation of internal control procedures; and
- other matters that are not reserved to the competence of the General Meeting of Shareholders, the Board of Directors or the collective executive body of the Company (Management Board) under the Federal Law "On Joint Stock Companies" and this Charter.

14.4. The rights and the duties of and the time for and the amount of payment for the services of, the sole executive body of the Company (President) and the members of the collective executive body of the Company (Management Board) shall be determined by an agreement to be entered into between each of them and the Company. The Chairman of the Board of Directors or a person so authorized by the Board of Directors shall sign such agreement on behalf of the Company.

14.5. The President of the Company shall be elected by the General Meeting of Shareholders for a term of five (5) years.

The President of the Company shall perform his/her duties during the period for which he/she was elected, until a new President of the Company is elected and takes office.

The members of the collective executive body of the Company (Management Board) shall be approved by the Board of Directors based on the suggestion of the President of the Company, for a term of three (3) years.

The members of the collective executive body of the Company (Management Board) shall perform their duties during the period for which they were elected, until new members of the collective executive body of the Company (Management Board) are elected and enter upon office.

The powers of some or all of the members of the collective executive body of the Company (Management Board) may be early terminated by a resolution of the Board of Directors of the Company.

14.6. The collective executive body of the Company (Management Board) shall act under this Charter and the regulations on the collective executive body (Management Board) to be approved by the General Meeting of Shareholders, which shall specify the time and procedures for the convocation and holding of meetings of the Management Board and the decision-making procedures.

14.7. The presence of more than one-half of the number of the members of the collective executive body of the Company (Management Board) as determined by a resolution of the Board of Directors of the Company shall constitute a quorum for holding of a meeting of the collective executive body of the Company (Management Board). If the number of the members of the collective executive body of the Company (Management Board) becomes less than the number constituting the said quorum, the Board of Directors of the Company shall form a new collective executive body of the Company (Management Board) or elect additional members to the collective executive body of the Company (Management Board).

Minutes shall be kept at meetings of the collective executive body of the Company (Management Board). Minutes of meetings of the collective executive body of the Company (Management Board) shall be made available to the members of the Board of Directors of the Company, the Internal Audit Commission of the Company, and the auditor of the Company upon their request.

The holding of meetings of the collective executive body of the Company (Management Board) shall be arranged by the sole executive body of the Company (President), which is to sign minutes of meetings of the collective executive body of the Company (Management Board).

14.8. When deciding on matters at meetings of the collective executive body of the Company (Management Board), each member of the collective executive body of the Company (Management Board) shall have one vote.

No member of the collective executive body of the Company (Management Board) shall be allowed to delegate his/her voting right to another person, including another member of the collective executive body of the Company (Management Board).

In case of equality of votes of the members of the collective executive body of the Company (Management Board) on a resolution, the Chairman of the collective executive body of the Company (Management Board) shall have a casting vote.

14.9. The following matters shall come under the competence of the collective executive body of the Company (Management Board):

- 1) preliminary determination of the priority lines of the Company's activities;
- 2) development of plans of the Company's financial and business operations to be submitted for approval to the Board of Directors;
- 3) organization of work on the implementation of priority lines of the Company's activities and plans of its financial and business operations approved by the Board of Directors;
- 4) organization of work to improve the structure of the Company and streamline its financial and business operations;
- 5) approval of transactions in connection with the acquisition, disposal or possibility of disposal, by the Company, either directly or indirectly, of property whose value constitutes over five and less than ten percent of the book value of the Company's assets as determined on the basis of its financial statements as of the last reporting date, with the exception of transactions performed in the ordinary course of business of the Company, transactions related to the placement of common shares of the Company by way of subscription (sale), or transactions related to the placement of issuable securities that are convertible into common shares of the Company;
- 6) decisions on the sale of the Company's outstanding shares that are at the disposal of the Company; and
- 7) approval of the following internal documents of the Company:
 - regulations on the organization of work of the Company's representatives in bodies of other legal entities;
 - standard forms of corporate documents, including constituent documents and regulations on the bodies of legal entities in which the Company is a participant;
 - regulations on the conditions of remuneration of labor and social protection of the Company's managing staff;
 - labor policies and procedures; and
 - other internal documents on matters related to management competence;
- 8) making of decisions concerning participation and termination of participation of the Company in any other organizations (with the exception of organizations specified in sub-paragraph 26 of paragraph 12.2 of article 12 of this Charter).

14.10. The collective executive body of the Company (Management Board) may, where necessary, create committees from among members of the collective executive body of the Company (Management Board) and employees of the Company for preparation of recommendations for the Management Board regarding certain lines of the Company's activities and engage independent experts to solve specific problems that require certain expertise or to fulfill urgent tasks related to the Company's activities.

15. LIABILITY OF MEMBERS OF BOARD OF DIRECTORS AND EXECUTIVE BODIES OF THE COMPANY

15.1. When exercising their rights and performing their duties, the members of the Board of Directors of the Company, the sole executive body of the Company, and the members of the collective executive body of the Company (Management Board) shall act in the interests of the Company and exercise their rights and perform their duties in good faith and in a reasonable manner.

15.2. The members of the Board of Directors of the Company, the sole executive body of the Company, and the members of the collective executive body of the Company (Management Board) shall be liable to the Company for losses caused to the Company by actions (failure to act) through their fault, unless other grounds for or amount of, liability are provided for under the Federal laws.

The members of the Board of Directors of the Company and the members of the collective executive body of the Company (Management Board) who voted against the decision that resulted in the infliction of losses to the Company or who did not participate in the vote shall not bear liability.

15.3. The Company or shareholders (shareholder) holding, in aggregate, at least one percent of outstanding common shares in the Company may file a court claim against a member of the Board of Directors of the Company, the sole executive body of the Company (President), and a member of the collective executive body of the Company (Management Board) for damages caused to the Company in the instance provided for under Clause 2 of Article 71 of the Federal Law "On Joint Stock Companies", unless other grounds for or amount of liability are provided for under Federal laws.

15.4. The Company may at its cost and expense insure the liability of the members of the Board of Directors, the sole executive body of the Company (President), and the members of the collective executive body of the Company (Management Board) as provided for under this Section.

16. INTERNAL AUDIT COMMISSION

16.1. The financial and business operations of the Company shall be monitored by the Internal Audit Commission. The work procedures of the Internal Audit Commission shall be determined by the Company's internal document to be approved by the General Meeting of Shareholders.

16.2. The Internal Audit Commission of the Company shall be composed of five (5) members to be elected by the General Meeting of Shareholders for a period until the next annual General Meeting of Shareholders.

If the number of the members of the Internal Audit Commission becomes less than three (3), the Board of Directors shall convene an extraordinary General Meeting of Shareholders to elect the Internal Audit Commission. The remaining members of the Internal Audit Commission shall perform their duties until the new Internal Audit Commission is elected.

16.3. The powers of some or all of the members of the Internal Audit Commission may be early terminated by a special resolution of the General Meeting of Shareholders.

16.4. Both a shareholder of the Company and any person proposed by a shareholder of the Company may be a member of the Internal Audit Commission. No members of the Internal Audit Commission of the Company may simultaneously serve as members of the Board of Directors of the Company or hold positions on the Company's governing bodies.

A candidate to a member of the Internal Audit Commission shall satisfy the following requirements:

- he/she shall have a university degree in economics, finance, law or business;
- he/she shall not have had any labor relations with the Company for the last three years; and
- he/she shall not hold any offices with any competitors of the Company.

16.5. The Internal Audit Commission shall be competent to:

- review financial documents of the Company, its financial statements, and opinions of the property inventory commission and compare the said documents with source documents;
- analyze the correctness and completeness of the keeping of records for accounting, tax, managerial and statistical purposes;

- check the correctness of implementation of plans of the Company's financial and business operations approved by the Board of Directors of the Company;
- check the compliance with the procedures for the distribution of the Company's profits for a reporting fiscal year approved by the General Meeting of Shareholders;
- analyze the Company's financial situation, solvency, asset liquidity, debt to equity ratio, net assets and authorized charter capital, identify potential for the improvement of the Company's business situation, and develop recommendations for the Company's governing bodies;
- check the timeliness and correctness of payments to suppliers of goods and service providers, payments to the budget and extrabudgetary funds, accrual and payment of dividends and interest on bonds, and settlement of other obligations;
- confirm the reliability of data included in the Company's annual report(s), annual financial statements, reports for tax and statistical authorities and government authorities;
- check the authority of the sole executive body to enter into agreements on behalf of the Company;
- review the legality of decisions made by the Board of Directors, the sole executive body, or the liquidation committee and their compliance with the Company's Charter and resolutions of the General Meeting of Shareholders; and
- analyze resolutions of the General Meeting of Shareholders to establish whether they comply with the law and the Company's Charter.

16.6. The Internal Audit Commission may:

- request personal explanations from members of the Board of Directors and employees of the Company, including any officials, on matters that fall within the competence of the Internal Audit Commission; and
- raise questions, before the governing bodies, regarding the liability of the Company's employees, including officials, in case they have breached the Charter, regulations, rules or instructions approved by the Company.

16.7. The financial and business operations of the Company shall be reviewed based on the results of its operations for a year and at any time on the initiative of the Company's Internal Audit Commission, a resolution of the General Meeting of Shareholders or the Board of Directors of the Company or upon request of shareholders (shareholder) holding, in aggregate, at least ten percent of the voting shares in the Company.

16.8. Upon request of the Internal Audit Commission of the Company, the persons holding office on the Company's governing bodies shall provide documents on the Company's financial and business operations.

Such documents shall be provided within five days from receipt of a written request.

16.9. The Internal Audit Commission of the Company shall have the right to request the convocation of an extraordinary General Meeting of Shareholders in the manner provided for under Article 55 of the Federal Law "On Joint Stock Companies" and the Company's Charter.

16.10. The Internal Audit Commission shall have the right to request the convocation of a meeting of the Board of Directors. The Chairman of the Board of Directors may not deny a request of the Internal Audit Commission to convene a meeting of the Board of Directors.

The Internal Audit Commission may request the convocation of a meeting of the collective executive body of the Company. The Chairman of the Management Board may not deny a request of the Internal Audit Commission to convene a meeting of the Management Board.

16.11. The presence of at least one-half of the numerical membership of the Internal Audit Commission as determined by this Charter shall constitute a quorum for the holding of a meeting of the Internal Audit Commission.

Meetings of the Internal Audit Commission shall be held in the form of joint presence of the members of the Internal Audit Commission to discuss the agenda items and adopt decisions on matters put to a vote.

When deciding on matters, each member of the Internal Audit Commission shall have one vote. No member of the Internal Audit Commission shall be allowed to delegate his/her voting right to another person, including another member of the Internal Audit Commission.

Decisions of the Internal Audit Commission shall be adopted and its opinions shall be approved by a majority of votes of the members of the Internal Audit Commission who are present at the meeting, by a roll call vote. In case of equality of votes, the Chairman of the

Internal Audit Commission shall have a casting vote.

16.12. The members of the Internal Audit Commission may be paid remuneration and/or reimbursed for costs related to the performance of their duties for the period when they are in office. The amounts of such remuneration and/or reimbursement shall be determined by a resolution of the General Meeting of Shareholders based on a recommendation of the Board of Directors of the Company.

17. COMPANY'S FUNDS

17.1. The Company shall create a reserve fund equal to five (5) percent of its Charter Capital.

The annual deductions for the Company's reserve fund shall equal five percent of its net profits. Such deductions shall be made until the reserve fund reaches the amount determined under the Charter.

The reserve fund of the Company shall be used to cover its losses, for the redemption of Company bonds and for the buyout of Company shares in the absence of other resources.

The reserve fund may not be used for other purposes.

17.2. A special employee share ownership fund shall be formed out of the net profits of the Company. It shall only be used to acquire the Company shares sold by shareholders, for their subsequent distribution between the Company employees.

The proceeds from sale of the Company shares purchased at the expense of the employee share ownership fund of the Company shall be used to form such fund.

17.3. The Company may create other funds under a resolution of the Board of Directors. The composition, the purpose, the sources and the use of each of such fund shall be determined by the Board of Directors.

18. PROVISION OF INFORMATION BY THE COMPANY TO ITS SHAREHOLDERS

18.1. The Company shall assure the shareholders' access to the documents provided for under the Federal Law "On Joint Stock Companies". Accounting documents and minutes of meetings of the collective executive body may be accessed by shareholders (shareholder) holding, in aggregate, at least 25 percent of the voting shares in the Company.

18.2. Within seven days from being requested to do so the Company shall furnish the documents provided for under the Federal Law "On Joint Stock Companies" for their review on the premises of the Company's executive body. Upon request of the persons that are entitled to access the documents provided for under the Federal Law "On Joint Stock Companies", the Company shall provide them with copies of such documents. The fee charged by the Company for the provision of such copies may not exceed the cost of making them.

18.3. The accuracy of data contained in the Company's annual report(s), annual accounting statements and financial statements shall be confirmed by the Internal Audit Commission of the Company.

Before publishing the documents specified in this Clause of the Charter, the Company shall engage an auditor with no property-based relations to the Company or its shareholders for an annual audit and confirmation of the annual financial statements.

The annual report(s) of the Company shall be subject to prior approval by the Board of Directors of the Company no later than 30 days prior to the date of an annual General Meeting of Shareholders.