

APPROVED
by the General Shareholders Meeting
of the Open Joint Stock Company “Oil Company “LUKOIL”
(Minutes No. 1 dated 27 June 2002)

Chairman of the Meeting

V.I. Grayfer

CHARTER
of the Open Joint Stock Company
“Oil Company “LUKOIL”
(Version No. 4)

Moscow, 2002

Oil company "LUKOIL" (hereinafter referred to as the "Company") was established as an open joint stock company in accordance with Decree No. 1403 of the President of the Russian Federation *On Specific Features of the Privatization and Transformation into Joint Stock Companies of State Enterprises and Industrial and Research-Industrial Associations in the Oil and Oil-Refining Industries and Oil Product Supply*, dated November 17, 1992 and Decree No. 299 of the Government of the Russian Federation *On the Establishment of the Open Joint Stock Company "Oil Company "LUKOIL"*, dated April 5, 1993, for the purpose of industrial-economic and financial-investment activity.

Article 1. Name and Location

1.1. The full official name of the Company is Открытое акционерное общество «Нефтяная компания «ЛУКОЙЛ».

The abbreviated official name of the Company is ОАО «ЛУКОЙЛ».

The full company name in English is Open Joint Stock Company "Oil Company "LUKOIL".

The abbreviated name in English is ОАО "LUKOIL".

1.2. The location of the Company (legal address) is: Sretensky bulvar 11, Moscow, 101000, Russian Federation.

Article 2. Legal Status of the Company

2.1. The Company is a legal entity under the laws of the Russian Federation. The Company acquires the rights of a legal entity from the date of its state registration.

2.2. The Company has a round seal bearing its full name in Russian and indicating its location, stamps and letterheads with its name, its own logo, duly registered trademarks, and other means of visual identification.

The rules on the use of such means of visual identification shall be established by applicable laws, the Company's internal regulations and agreements entered into by the Company.

2.3. The Company shall have the right to open bank accounts inside and outside the Russian Federation pursuant to the established procedure.

2.4. The Company shall have the right to enter into any transactions in its own name in compliance with the laws of the Russian Federation, to acquire and exercise property and personal non-property rights, to incur obligations and act as plaintiff and defendant in a court of law.

2.5. As an independent business entity, the Company may own, use and dispose of its separate property accounted for on its independent balance sheet.

2.6. The founder of the Company is the Council of Ministers - Government of the Russian Federation (hereinafter referred to as the "Founder").

2.7. The provisions of this Charter shall be amended, and the new version of this Charter shall be approved by decision of the General Meeting of Shareholders (hereinafter referred to as the "Shareholders Meeting" or the "Meeting") of the Company or, in such cases as provided for by this Charter, by the Board of Directors, subject to the requirements of effective legislation and the provisions of this Charter.

2.8. The Company is the owner of assets transferred thereto as contributions, payment for shares or otherwise to the charter capital by its Founder and shareholders, and also of assets received as a result of its activity and from other sources.

2.9. The Company is liable for its obligations only to the extent of its assets. The Company is not liable for the obligations of its shareholders.

Shareholders are not liable for the Company's obligations and bear the risk of losses related to the Company's operations to the extent of the value of the Company's shares owned by shareholders.

The state, its bodies and organizations are not liable for the Company's obligations; the Company is not liable for the obligations of the state, its bodies and organizations.

2.10. The Company has the right to own an interest in other for-profit and non-profit organizations.

2.11. The Company may establish subsidiaries and associates.

2.12. The Company shall have the right to establish branches and representative offices, both in the Russian Federation and abroad.

The Company's Branch is located at Camping, Aksai-2, Burlinsky District, West Kazakhstan Region, Republic of Kazakhstan, 418440. Name of the Branch: Branch of the Open Joint Stock Company "Oil Company "LUKOIL" (Russia) in the City of Aksai.

2.13. The Company's branches and representative offices are not legal entities and shall act on behalf of the Company. The Company's branches and representative offices shall operate on the basis of the Regulations on the Branch (Representative Office) in compliance with the laws of the jurisdiction in which such branch or representative office is located.

2.14. The Company shall take part in negotiations on concluding inter-state and inter-governmental agreements on the supply of oil and oil products by the Company.

2.15. The Company shall independently plan and carry out its activity, determine the remuneration of its employees (hereinafter, "Company employees"), the prices of products and services, the procedure and form of settlements under its transactions, unless otherwise is provided by applicable law.

2.16. The relationship between the Company and the governmental authorities of the political subdivisions of the Russian Federation and the local governmental authorities in the regions where the Company explores and extracts oil, gas and other mineral resources shall be governed by applicable law and any contracts and agreements between them, with due account of the interests of the Company and the population of such regions.

2.17. The Oil Concern LUKOIL, registered by the Moscow Registration Chamber on April 22, 1992 and entered into the Register under No. 2106-14, was reorganized through a takeover by the Company. The Company is the legal successor to all property and personal non-property rights and obligations of the Oil Concern LUKOIL.

Article 3. Objective and Types of Activity of the Company

3.1. The main objective of the Company is to make profit.

3.2. The main types of the Company's activity are as follows:

3.2.1. Exploration at oil and gas fields and other deposits, drilling of wells, extraction, transportation and refining of oil and gas, production of oil products, petrochemical and other products (including consumer goods and services), sale of oil, oil products and other products of the refining of hydrocarbons and other raw materials (including retail sales and exports);

3.2.2. Investment and financial activities in Russia and abroad;

3.2.3. Coordination of activities of the Company's subsidiaries;

3.2.4. Procedures for the issue of the Company's securities in compliance with the applicable laws of the Russian Federation;

3.2.5. Creation of production facilities and performance of actions furthering the objectives of the Company and the interests of its shareholders, including advertising, publishing and printing activity, organization of exhibitions, trade exhibitions, and auctions;

3.2.6. Exports and imports of goods and services, development of new forms of mutually beneficial foreign economic relations, trade, economic, scientific and technological cooperation with foreign companies;

3.2.7. Provision of guidelines, coordination of work and control over preparation for mobilization, civil defense, registration and reservation of men eligible for military call-up, and the protection of information constituting a state or trade secret in accordance with the laws and regulatory acts of the Russian Federation;

3.2.8. Research and development;

3.2.9. Construction, renovation and operation of facilities for oil and gas extraction, transportation, oil and gas refining, production and sale of oil, gas, oil products and petrochemicals, and also housing, social, and cultural facilities;

3.2.10. Legal support and provision of legal services, including settlement of economic disputes through the standing Arbitration Tribunal of the Company;

3.2.11. Intermediary, consulting, educational and marketing activities, provision of telecommunications services to legal entities and individuals and any other types of activities that do not contravene the Company's objectives and are not prohibited by applicable law;

3.3. The Company's activities to execute orders for the implementation of federal special-purpose programs and the purchase and supply of products to meet state needs shall be carried out on the basis of state supply contracts to meet state needs, and state supply agreements entered into in connection therewith.

Article 4. Charter Capital

4.1. The Charter Capital of the Company shall consist of the par value of shares acquired by shareholders (placed) and shall be 21,264,081 roubles 37.5 kopecks (twenty-one million two hundred sixty-four thousand eighty-one roubles thirty-seven and one-half kopecks).

4.2. The Charter Capital of the Company is divided into 850,563,255 registered ordinary shares with a par value of 2.5 kopecks per share, representing in aggregate 100 percent of the Charter Capital.

4.3. As necessary and pursuant to the procedure stipulated by the laws of the Russian Federation and this Charter, the Company may:

4.3.1. increase the Charter Capital by placing additional shares within the limit of the authorized shares established by this Charter, or by increasing the par value of all outstanding shares or shares of a certain class (type);

4.3.2. consolidate issued shares or split them into shares of smaller par value;

4.3.3. reduce the amount of the Charter Capital by decreasing the par value of all outstanding shares of the Company or the par value of shares of a certain class, or through the purchase by the Company of a portion of the shares in order to reduce the total number thereof or through the retirement of shares not paid-up in full, and through the retirement of shares acquired or repurchased by the Company.

4.4. Any changes in the Company's Charter Capital shall be made pursuant to a decision on:

4.4.1. an increase in the Charter Capital:

4.4.1.1. by increasing the par value of shares, to be adopted by the Shareholders Meeting;

4.4.1.2. by placing additional shares, to be unanimously adopted by the Company's Board of Directors, except as otherwise stipulated by sub-points 4.4.1.3, 4.4.1.4 of point 4.4 of this Charter;

4.4.1.3. by placing additional shares through private subscription, to be adopted by the Shareholders Meeting;

4.4.1.4. by placing, through open subscription, ordinary shares equal to more than 25 percent of outstanding ordinary shares, to be adopted by the Shareholders Meeting;

4.4.2. a reduction of the Charter Capital through a decrease in the par value of shares or through the acquisition of a portion of shares in order to reduce the total number thereof, to be adopted by the Shareholders Meeting.

4.5. The price of additional shares placed by subscription shall be determined by the Board of Directors, but shall not be less than par value.

The value of assets contributed as payment for shares and other issued securities shall be expressed in roubles.

Article 5. Shares and Other Securities of the Company. Shareholders' Rights

5.1. The issue, registration, and rules for the trading of the Company's securities and their offering shall be determined by this Charter and applicable securities law.

5.2. If the Company offers additional shares and issued convertible securities by open subscription, the Company's shareholders shall have preemptive right to acquire such additional

shares and issued convertible securities in an amount proportionate to the number of such class (type) of shares held by them.

If the Company offers shares and issued convertible securities by private subscription, the Company's shareholders who voted against or abstained from voting on such offering shall have a preemptive right to acquire such securities in an amount proportionate to the number of such class (type) of shares held by them. Such right shall not apply where shares and other issued convertible securities are offered by private subscription to shareholders only, if the shareholders may acquire a whole number of the shares and other issued convertible securities in proportion to the number of such class of shares held by them.

In each additional issue of shares or issued convertible securities, the Company shall give notice to all holders of such class (type) of shares, stating the amount of shares and issued convertible securities so offered, their offering price or the procedure for determining the same, the procedure for determining the number of securities to which any such shareholder shall be entitled, and the effective term of the preemptive right, at least 45 calendar days' prior to the start of the offering.

Such notice shall be published in the same printed periodical in which notices of Shareholders Meetings are published.

5.3. The Company, acting in compliance with the laws of the Russian Federation, may acquire its shares issued based on a decision of the Board of Directors. The Company may not take such decision on the acquisition of shares by the Company if the par value of outstanding Company shares thereby becomes less than 90 percent of the Company's Charter Capital.

Shares acquired by the Company pursuant to the decision of the Board of Directors shall not provide voting rights, shall be disregarded for the purposes of tallying votes, and shall not accrue any dividend. Such shares shall be sold within one year of their acquisition.

5.4. A share of the Company may be jointly owned by several persons. In such case, the co-owners shall be deemed to be one shareholder.

5.5. If a shareholder is unable acquire a whole number of shares in exercising the preemptive right to acquire additional shares or in consolidation of shares, fractional shares may be created (hereinafter, "fractional shares"). Fractional shares shall be traded *pari passu* with whole shares. Any fractional share shall grant to the holder thereof the rights granted by the relevant class (type) of shares in an amount equal to that portion of a share which it represents. In order to reflect the total number of shares outstanding in the Company's Charter, all outstanding fractional shares shall be aggregated. If the resulting number is a fraction, such fraction shall be specified in the Company's Charter to reflect the number of shares outstanding.

5.6. Each ordinary share shall grant equal rights to the holder thereof.

Pursuant to the procedure stipulated in this Charter, Company shareholders have the right:

5.6.1. to participate in the management of the Company;

5.6.2. to purchase shares and other securities of the Company, including by exercising the preemptive right in accordance with the provisions of point 5.2 of this Charter;

5.6.3. to sell the shares owned by them without permission from the Company and other shareholders;

5.6.4. to receive information about the Company's activities, including all information related to the items on the agenda of the Shareholders Meeting, and review minutes of the Shareholders Meetings;

5.6.5. to participate in the distribution of the Company's assets on its liquidation;

5.6.6. to exercise their rights directly or by proxy, who may be other shareholders, and also other persons acting on the basis of a power of attorney, issued in compliance with the procedure determined by applicable law;

5.6.7. to receive a portion of the Company's net profits (dividend).

5.7. Representatives of the Russian Federation shall participate in the Shareholders Meeting, meetings of the Board of Directors and Audit Commission of the Company pursuant to the procedure established by the laws of the Russian Federation, this Charter and the Company's internal regulations governing the activities of the Company's management bodies.

5.8. The shareholders shall comply with confidentiality requirements in respect of such information on the Company's current or future activities as constitutes a trade secret under the laws of the Russian Federation.

Article 6. Share Register

6.1. The Company shall maintain a share register through a professional securities market participant maintaining a register of the holders of registered securities (hereinafter, the "Registrar").

The Board of Directors shall adopt a decision to elect the Registrar in accordance with the internationally accepted practice, provided that the rules of its operation comply with the standards and rules for maintaining the share register of a joint-stock company approved by the federal executive body for the securities market.

6.2. The share register of the Company shall be maintained in accordance with the laws of the Russian Federation using a computer database that ensures identification of registered persons, certification of title to securities registered on the personal accounts of registered persons, and which also allows information to be received and sent to registered persons.

6.3. The Company shall provide for the safekeeping of the share register. The share register shall be kept at the premises of the Company or its Registrar.

Article 7. Control and Management Bodies

7.1. The Company shall establish the following bodies of control and management for the purpose of conducting Company's activities.

7.1.1. Management bodies shall be:

7.1.1.1. The Shareholders Meeting;

7.1.1.2. The Board of Directors;

7.1.1.3. The President (General Director) – a single-person executive body (hereinafter, the "President");

7.1.1.4. The Management Committee – a collective executive body.

7.1.2. The supervisory body shall be: the Audit Commission.

7.2. Members of the Board of Directors, the President of the Company and the members of the Management Committee shall be officers of the Company (hereinafter, the “officers of the Company”).

7.3. The Company shall employ the necessary specialists to support daily operations.

7.4. The Company’s executive bodies shall be located at the Company’s location.

Article 8. Shareholders Meeting

8.1. The Shareholders Meeting shall be the supreme management body of the Company.

8.2. The following issues shall be within the jurisdiction of the Shareholders Meeting:

8.2.1. amendments to the Company Charter or approval of any new versions of the Company Charter;

8.2.2. reorganization of the Company;

8.2.3. liquidation of the Company, appointment of the liquidation commission and approval of interim and final liquidation balance sheets;

8.2.4. determination of the number of members of the Company’s Board of Directors, election of its members, early termination of their powers, determination of remuneration and compensation payable to the Board members;

8.2.5. determination of the amount, par value, class (type) of authorized shares and the rights granted by these shares;

8.2.6. increase in the Charter Capital through:

8.2.6.1. an increase in the par value of the shares;

8.2.6.2. placement of additional shares by private subscription;

8.2.6.3. placement of additional shares representing more than 25 percent of outstanding shares, by open subscription;

8.2.7. reduction of the Charter Capital of the Company by decreasing the par value of shares, acquisition by the Company of part of shares in order to reduce the total number thereof, and also through the retirement of shares acquired or repurchased by the Company, in compliance with the laws of the Russian Federation;

8.2.8. appointment of the President;

early termination of the powers of the President;

8.2.9. election of members of the Audit Commission and early termination of their powers, determination of remuneration and compensation payable to the members of the Audit Commission;

8.2.10. approval of the Company’s Auditor;

8.2.11. approval of annual reports and annual financial statements, including the income statement of the Company;

distribution of the its profits, including payment (declaration) of dividend, and losses based on the results of the financial year;

8.2.12. determination of the rules for the conduct of Shareholders Meetings;

8.2.13. election of members of the Counting Commission and early termination of their powers, in cases stipulated by effective legislation;

8.2.14. split and consolidation of shares;

8.2.15. approval of interested-party transactions, in cases stipulated by effective legislation;

8.2.16. approval of major transactions involving:

8.2.16.1. acquisition or sale by the Company of assets with the value exceeding 50 percent of the book value of the Company's assets as of the date the decision on such transaction is made;

8.2.16.2. transactions within the jurisdiction of the Board of Directors, if the Board of Directors is unable to reach unanimity on the issue;

8.2.17. acquisition by the Company of outstanding shares in order to reduce the total number thereof;

8.2.18. decisions on participation in holding companies, financial–industrial groups, associations and other unions of for-profit organizations;

8.2.19. approval of internal regulations governing the activities of the Company's management bodies;

8.2.20. placement of issued convertible securities through private subscription, and placement through open subscription of issued convertible securities representing more than 25 percent of the Company's outstanding ordinary shares;

8.2.21. other issues stipulated by effective legislation.

8.3. Shareholders Meetings may be annual and extraordinary.

8.4. Annual Shareholders Meetings shall be held annually, not earlier than two and not later than six months after the end of the financial year.

The annual Shareholders Meeting shall settle issues of the election of the Board of Directors and the Audit Commission, approval of the Auditor of the Company, approval of the annual report and annual financial statements, including the Company's income statement, distribution of the profits and losses of the Company based on the results of the financial year, including payment (declaration) of dividends. In addition, the annual Shareholders Meeting may decide on other issues within its jurisdiction in accordance with effective legislation.

8.5. Extraordinary Shareholders Meetings shall be held by decision of the Company's Board of Directors, on its own initiative or at the request of the Audit Commission, the Company's Auditor, or a shareholder (shareholders) holding at least 10 percent of the Company's voting shares as at the date of such request.

8.6. Proposals for the agenda of the Shareholders Meeting and candidates to the Board of Directors, Audit Commission and Counting Commission, and to the office of President shall be made not later than 30 days after the end of the financial year of the Company by Company shareholders holding in aggregate at least two percent of the Company's voting shares. The number of candidates such shareholders may nominate to the Board of Directors, the Audit Commission and the Counting Commission may not exceed the number of positions in the relevant body.

In addition to issues proposed for the agenda of the Shareholders Meeting by shareholders, and also in cases where no such issues are submitted or no candidates or an insufficient number of candidates are nominated by the shareholders to the relevant body of the Company, the Board of Directors may at its own discretion place issues on the agenda and nominate candidates.

8.7. The notice of any Shareholders Meeting shall be published in the newspapers *Rossiyskaya Gazeta* or *Izvestiya*, and may also be published in any regional print media.

The Company shall send to shareholders voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against acknowledgement of receipt no later than 20 days before the Shareholders Meeting and, for the purposes of determining quorum and voting results, shall take into account ballots received by the Company by mail, e-mail with a certified electronic digital signature or via delivery by the shareholder to the counting commission not later than 2 days before the Shareholders Meeting.

Where the number of persons entitled to participate in any Shareholders Meeting is 500,000 or more, forms of voting ballots shall be published in the print media specified herein.

8.8. The Meeting shall be conducted by the Chairman of the Board of Directors or a person designated by the Board of Directors or by a representative of shareholders, pursuant to the procedure stipulated by the *Regulations On The Procedure For Preparing And Holding The General Shareholders Meeting Of OAO "LUKOIL"*.

8.9. The meeting shall be authorized (quorate) if it is attended by shareholders holding in aggregate more than half of the outstanding voting shares of the Company. If the agenda of any Shareholders Meeting contains issues to be voted by different types of voters, quorum for voting on such issues shall be determined separately. In such cases, a lack of quorum for voting on issues to be voted by one set of voters shall not preclude voting on issues to be voted by another set of voters for which a quorum is present.

Shareholders registered to participate in the Meeting and shareholders whose ballots are received by the Company at least two days prior to the date of the Shareholders Meeting shall be deemed to have participated in the Meeting. In the event a Shareholders Meeting is held in the form of absentee voting, shareholders whose ballots are received prior to the deadline for receipt of ballots shall be deemed to have participated in the Meeting.

8.10. In the absence of a quorum, the date of a rescheduled Shareholders Meeting shall be announced. No changes in the agenda shall be allowed.

The rescheduled Shareholders Meeting convened in place of the canceled meeting shall be quorate if attended by shareholders (their proxies) holding in aggregate at least 30 percent of the outstanding voting shares of the Company.

8.11. The Shareholders Meeting where there is a quorum may decide to suspend its session for a period of up to thirty days. When resumed, the Meeting may take decisions only on issues on the original agenda.

8.12. The functions of the counting commission shall be performed by the Registrar authorized by the decision of the Board of Directors.

8.13. The right to participate in the Shareholders Meeting may be exercised by a shareholder in person or by proxy.

A shareholder's proxy shall act to the extent of the authority provided for in the orders of the federal bodies or the acts of the competent governmental or local authorities, or a written power of attorney.

8.14. Experts (including Company employees) may be invited to the Shareholders Meetings for assistance in the review of certain special issues included in the agenda.

8.15. The Shareholders Meeting shall make decisions by a simple majority vote of the shareholders holding voting shares and present at the Shareholders Meeting, with the exception of the cases stipulated by this Charter.

8.16. A three-quarters majority vote of shareholders holding voting shares and present at the Shareholders Meeting shall be required to make decisions on the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.16.1, 8.2.17, 8.2.20 of point 8.2 of this Charter.

8.17. Decisions on the issues specified in sub-points 8.2.2, 8.2.6, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18, 8.2.19, 8.2.20 of point 8.2 hereof shall be made by the Shareholders Meeting only pursuant to the proposal of the Board of Directors.

8.18. Decision on issues specified in sub-point 8.2.15 of point 8.2 of this Charter shall be made by a majority vote of the holders of voting shares who do not have an interest in relation to the transaction.

8.19. The minutes of the Shareholders Meeting shall be signed by the Chairman of the Board of Directors or other person presiding at the Shareholders Meeting and the secretary of the Shareholders Meeting, and shall be certified with the Company seal.

The protocol on voting results shall be attached to the Minutes of the Shareholders Meeting.

8.20. The decisions adopted and the voting results shall be announced at the Shareholders Meeting at which the voting was held or communicated to the persons included on the list of persons entitled to participate in the Shareholders Meeting, within 10 days after the compilation of the protocol of voting results in the form of a report on voting results, pursuant to the procedure stipulated by this Charter for notification of the conduct of a Shareholders Meeting.

8.21. A decision of the Shareholders Meeting may be adopted without holding a meeting (joint attendance of shareholders to discuss agenda items and adopt decisions put to voting) by an absentee vote.

Article 9. The Board of Directors

9.1. The Company's Board of Directors shall exercise the general management of the Company's activities, with the exception of issues within the jurisdiction of the Shareholders Meeting. The procedure for convocation and conduct of meetings of the Board of Directors shall be set forth in the *Regulations on the Board of Directors*.

9.2. Members of the Board of Directors shall be elected by the Shareholders Meeting through cumulative voting, for a term lasting until the next annual Shareholders Meeting. The Board shall consist of 11 members. If the annual Shareholders Meeting is not held within the period stipulated by

law, the authority of the Board of Directors of the Company shall terminate as of the date following the last day of the period for holding the annual Shareholders Meeting stipulated by law, except for the authority to prepare, convene and hold the annual Shareholders Meeting.

Board members may be elected an unlimited number of times.

9.3. Pursuant to a decision of the Shareholders Meeting, the authority of all members of the Board of Directors may terminate before the expiry of their term.

9.4. The Board of Directors shall retain its powers irrespective of any vacancies that may occur. If the number of the Board members becomes less than the number constituting a quorum, the Board of Directors shall decide on holding an extraordinary Shareholders Meeting to elect a new Board of Directors.

9.5. The members of the Board of Directors shall elect a Chairman from among their number for the entire term of office of the Board of Directors.

9.6. The Chairman of the Board of Directors shall preside over meetings of the Board. In his absence, Board members shall elect a chairman from among those present.

The Chairman of the Board of Directors shall sign agreements with the President of the Company on behalf of the Company.

9.7. The following issues shall be within the jurisdiction of the Board of Directors:

9.7.1. definition of the highest-priority areas of the Company's activity;

9.7.2. convocation of annual and extraordinary Shareholders Meetings of the Company, except for cases provided for by the laws of the Russian Federation, and submission for approval by the Shareholders Meeting of the issues indicated in sub-points 8.2.2, 8.2.6, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18, 8.2.19, 8.2.20 of point 8.2 hereof;

9.7.3. approval of the agenda of the Shareholders Meeting.

9.7.4. setting the date for compiling the list of persons entitled to participate in the Shareholders Meeting, as well as other matters related to preparation and conduct of the Shareholders Meeting provided for by the laws of the Russian Federation;

9.7.5. increase in the Company's charter capital through the placement of additional shares within the quantity and classes (types) of authorized shares, except for cases provided for in sub-point 8.2.6 of point 8.2 of this Charter, as well as making appropriate amendments to the Charter related to the increase in Charter Capital;

9.7.6. placement of bonds and other issued securities by the Company, including convertible securities, except as provided for in sub-point 8.2.20 of this Charter, and approval of quarterly reports on Company securities;

9.7.7. determination of the price (monetary value) of assets, the offering price and redemption price of issued securities in accordance with the laws of the Russian Federation;

9.7.8. acquisition of shares, bonds and other issued securities placed by the Company, except for cases provided for in sub-point 8.2.17 of point 8.2 of this Charter;

9.7.9. formation of the Management Committee – the Company’s collective executive body, early termination of its members’ powers, determination of the principal terms and conditions of agreements entered into with the President and members of the Management Committee;

9.7.10. recommendations on the amount of remuneration and compensation payable to the members of the Company’s Audit Commission and determination of the amount of the Auditor’s fee;

9.7.11. recommendation on the amount of dividends on shares and the procedure for their payment;

9.7.12. use of the reserve fund and other funds of the Company;

9.7.13. approval of internal documents of the Company, other than those whose approval falls within the authority of the Shareholders Meeting and the Company’s executive bodies;

9.7.14. establishment of branches and representative offices of the Company and their liquidation, and amending the Company Charter accordingly;

9.7.15. approval of major transactions involving assets with a value of 25 to 50 percent of the book value of the Company’s assets as at the date the decision to consummate such transaction is made, by unanimous decision of the Board of Directors;

9.7.16. approval of interested-party transactions that under the laws of the Russian Federation involve members of the Board of Directors, persons holding offices in other management bodies of the Company, shareholders holding in conjunction with affiliated persons 20 percent or more of the voting shares, except for transactions specified in sub-point 8.2.15 of point 8.2 of this Charter;

9.7.17. approval of the Company’s Registrar and the terms of the agreement with the Registrar, and also termination of such agreement;

9.7.18. regulation of the activity of the Company’s Arbitration Tribunal;

9.7.19. formation of committees and commissions of the Board of Directors, approval of internal regulations governing formation and proceedings of such committees and commissions.

9.8. The Board of Directors shall pass decisions by a majority vote of those members participating in discussion of agenda items, unless otherwise is stipulated by this Charter and the laws of the Russian Federation. In the event of a tie, the Chairman shall have the casting vote.

Participation shall mean the personal attendance of a Board member at the meeting, or a written opinion on agenda items duly sent by a Board member absent from such meeting.

The Board of Directors may pass decisions by absentee voting.

9.9. The Board of Directors shall hold meetings as necessary. Meetings shall be called by the Chairman of the Board of Directors on his own initiative or at the request of a member of the Board of Directors, the Audit Commission, the Company’s Auditor, the President or the Company’s Management Committee.

Written notice of each Board meeting shall be sent to each member of the Board of Directors pursuant to the procedure and by the deadlines established by the Regulations on the Board of Directors. If necessary, any meeting of the Board of Directors may be temporarily adjourned, pursuant to the procedure set forth in the Regulations on the Board of Directors.

9.10. The meeting shall be quorate if at least half of the elected members of the Board of Directors are present. Board members present at the meeting and written opinions on agenda items received from the Board members absent from the meeting shall be taken into account when determining quorum.

9.11. No member of the Board of Directors may transfer his/her voting rights to any other person, including to other Board members.

9.12. The Board of Directors may form committees and commissions, which may include Board members and Company employees. Such committees and commissions shall act on the basis of internal regulations governing the formation and operation of such committees and commissions, and also their functions and authority. Such regulations shall be approved by a simple majority vote of the Board of Directors.

9.13. Minutes of all meetings of the Board of Directors shall be signed by the Chairman of the Board of Directors or, in his/her absence, by the person presiding at the meeting, and shall be certified by the Company seal.

9.14 Agendas shall be prepared for Board meetings and clerical support shall be provided by the Secretary of the Board of Directors, who shall be appointed by decision of the Board of Directors on the recommendation of the Chairman of the Board of Directors.

9.15. Members of the Board of Directors who represent the Russian Federation shall receive remuneration in the amounts and pursuant to the procedure established by the laws of the Russian Federation. Other members of the Board of Directors shall receive remuneration and compensation in the amounts and pursuant to the procedure established by the Shareholders Meeting.

9.16 All issues not settled by this Article shall be governed by the *Regulations on the Board of Directors* of the Company.

Article 10. President of the Company and the Management Committee

10.1. The President of the Company, being the single-person executive body of the Company, shall manage the current operations of the Company and head the Management Committee, which is Company's collective executive body.

The President shall be appointed by the General Meeting of Shareholders for a term of five years.

10.2. Pursuant to the laws of the Russian Federation, the President of the Company is granted all such powers as are required to manage the operations of the Company.

The President shall act without power of attorney on behalf of the Company.

10.3 The authority of the Company's President shall include all issues relating to the management of the Company's operations, except for those within the authority of the Shareholders Meeting or the Board of Directors of the Company. The President shall perform, *inter alia*, the following duties:

10.3.1. management of the day-to-day operations of the Company;

10.3.2. exercise of the right of first signature on financial documents of the Company;

10.3.3. management of the Company's assets for the purpose of the Company's current operations, within the limits established by the Charter;

10.3.4. represent the Company inside and outside the Russian Federation;

10.3.5. approval of personnel, conclusion of employment contracts with Company employees, establishment of incentives and imposition of penalties;

10.3.6. performance of the function of chairman of the Management Committee and organization of its work;

10.3.7. submission for the approval of the Board of Directors of a list of nominees to the Management Committee and signing of agreements with members of the Management Committee on behalf of the Board of Directors;

10.3.8. performance of transactions on the Company's behalf, issue of powers of attorney on the Company's behalf, and opening of the bank accounts of the Company;

10.3.9. organization of the accounting, reporting and document flow in the Company;

10.3.10. issuing of orders and instructions binding on all employees of the Company;

10.3.11. filing of claims and suits on the Company's behalf against legal entities and individuals in the Russian Federation and abroad;

10.3.12. representation of the Company at the General Shareholders (Participants) Meetings of its subsidiaries and other entities in which the Company holds an interest, and voting on all issues on the agenda of such meetings;

10.3.13. approval of the Company's structure and regulations on the Company's structural and separate subdivisions;

10.3.14. approval of the Company's internal documents governing its current operations, other than internal documents whose approval is assigned by this Charter to the authority of the Management Committee of the Company.

10.4. The Management Committee, the Company's collective executive body, shall be formed annually by the Board of Directors. The President of the Company shall, within one month of the election of the Board of Directors at the annual Shareholders Meeting, submit for approval to the Board of Directors a proposal on the composition and candidates to the Management Committee, including candidates to the office of first vice-presidents and vice-presidents of the Company. The Board of Directors may reject any candidate to the Management Committee, but may not approve any members of the Management Committee without recommendation of the President.

Members of the Management Committee, including first vice-presidents and vice-presidents, need not be employees of the Company and may, in particular, hold executive positions in the Company's subsidiaries, subject to the Board's consent.

10.5. The term of office of members of the Management Committee shall be reckoned from the time they are approved by the Board of Directors to the moment when a new Management Committee is approved by the Board of Directors. The authority of any Management Committee member may be terminated at any time by the Board of Directors on the recommendation of the President. During the year the President may propose additional candidates to the Management

Committee for approval by the Board of Directors. Newly approved Management Committee members replacing previous members shall hold their positions until approval of the new Management Committee by the Board of Directors.

Any Management Committee member may withdraw from the Management Committee before the expiration of his/her term, by submitting written notice to the President. This issue shall then be submitted to the Board of Directors for a decision.

The time and procedure for convocation and holding meetings and the procedure for decision-making shall be determined by the *Regulations on the Management Committee*.

10.6. The authority of the Management Committee shall include the following issues:

10.6.1. organization of efficient day-to-day management of the current operations of the Company;

10.6.2. development and implementation of the Company's current business policy to enhance its profitability and competitiveness;

10.6.3. development and approval of the Company's annual and future plans of action, budget and investment program, and control over the implementation thereof;

10.6.4. organization of General Shareholders Meetings and the work of the Company's Board of Directors, and ensuring the implementation of the decisions made thereby;

10.6.5. development and implementation of the general development strategy for Company subsidiaries, including uniform production, technical, fiscal, pricing, sales, social and staffing policies, preliminary approval of the decisions of Company subsidiaries on participation in other entities, and coordination of the operations of Company subsidiaries, including approval of the documents regulating the activities of Company subsidiaries;

10.6.6. decisions on the sale of shares and other issued Company securities repurchased by the Company;

10.6.7. appointment of representatives of the President of the Company for the political subdivisions of the Russian Federation and foreign countries on recommendation of the President of the Company;

10.6.8. monitoring of work on collection of the accounts receivable of the Company;

10.6.9. decisions on the observation of anniversaries and other significant dates, on awards and grants of honorary titles to employees of the Company and its subsidiaries;

10.6.10. decisions on the Company's participation in other entities, except for cases provided for in sub-point 8.2.18 of point 8.2 hereof;

10.6.11. approval of the Company's internal documents on issues assigned by this Charter to the authority of the Management Committee;

10.6.12. the Management Committee may exercise other authorities granted to it by the President of the Company, and may delegate any of its powers to the President.

Article 11. Duties of Officers and Other Persons

11.1. When exercising their rights and performing their duties, the Company's officers and other persons in cases stipulated by the effective legislation shall act in the interests of the Company and shall exercise their rights and perform their duties in respect of the Company reasonably and in good faith.

11.2. The officers of the Company and other persons in cases stipulated by the effective legislation shall be liable to the Company for losses incurred by the Company through their culpable actions (inaction), unless other grounds and scope of liability are set forth by federal law.

No liability shall be borne by members of the Board of Directors and Management Committee of the Company who voted against a decision that caused losses to the Company or who did not participate in the voting.

11.3. In determining the grounds and scope of liability of the persons specified in point 11.2 of this Charter, ordinary business custom and other relevant circumstances shall be taken into account.

11.4. In the event several persons shall be liable pursuant to the terms of this article of the Charter, they shall be jointly and severally liable to the Company.

11.5. The Company or a shareholder (shareholders) owning in aggregate not less than one percent of the outstanding ordinary shares of the Company shall have the right to file suit in court against the persons specified in point 11.2 of this Charter, for losses caused to the Company.

11.6. The Company shall insure the liability of its officers in accordance with international practice.

Article 12. Audit Commission and Audit

12.1. The Audit Commission shall exercise control over the financial and economic activity of the Company. The rules of the Audit Commission shall be set forth in the *Regulations on the Audit Commission*.

12.2. The Audit Commission shall be elected by the annual Shareholders Meeting in accordance with the procedure established by this Charter and shall have three members.

The term of office of the Audit Commission shall be reckoned from the time of its election by the annual Shareholders Meeting to the time of the election of a new Audit Commission by the next annual Shareholders Meeting.

12.3. The authority of individual members or the entire Audit Commission may be terminated early by decision of the Shareholders Meeting.

In the event the number of members of the Audit Commission is less than half of the figure stipulated by the Company Charter, the Board of Directors must convene an extraordinary Shareholders Meeting to elect a new Audit Commission. The remaining members of the Audit Commission shall perform their functions until a new Audit Commission is elected at an extraordinary Shareholders Meeting.

In the event of the early termination of the authority of the Audit Commission or specific members thereof, the authority of the new Audit Commission shall be effective until the Audit Commission is elected (re-elected) by the annual Shareholders Meeting one year after the annual Meeting that elected the Audit Commission whose authority was terminated.

12.4. Any shareholder or any person nominated by a shareholder may be a member of the Audit Commission. Members of the Audit Commission may not concurrently be members of the Board of Directors or hold any other positions in the management bodies of the Company.

12.5. Members of the Audit Commission shall elect a chairman from among their number.

12.6. An audit (review) of the financial and economic activities of the Company shall be conducted based on the Company's performance in the previous year.

An audit (review) of the Company's financial and economic activities may be performed at any time on the initiative of the Audit Commission, by decision of the Shareholders Meeting or Board of Directors, or at the request of a shareholder (shareholders) of the Company holding in aggregate at least 10 percent of the voting shares of the Company.

12.7. Persons holding positions in the Company's management bodies are obliged to provide documents about the Company's financial and economic activities at the request of the Audit Commission of the Company.

12.8. The Audit Commission of the Company shall have the right to request the convocation of an extraordinary Shareholders Meeting pursuant to the procedure established by effective legislation, this Charter and the Company's internal documents.

12.9. On the basis of audit of the Company's financial and economic activities, the Audit Commission of the Company shall prepare a report, which must contain the following:

confirmation of the reliability of the data contained in the reports and other financial documents of the Company;

information on violations of accounting and financial reporting rules established by the legal acts of the Russian Federation, and on violations of the legal acts of the Russian Federation in the course of the performance of financial and economic activities.

12.10. During the period of the performance of their duties, members of the Audit Commission may be paid remuneration and reimbursement of costs, pursuant to the procedure and in the amounts established by decision of the Shareholders Meeting.

12.11. The Auditor of the Company shall be approved by the Shareholders Meeting.

Acting on the basis of legal acts of the Russian Federation, the Auditor of the Company shall perform an audit of the Company's financial and economic activities, on the basis of a signed contract.

Article 13. Profits, Dividends and Funds

13.1. The Company's profits shall be determined pursuant to the procedure established by the laws of the Russian Federation. The Company's net profits shall remain at the disposal of the Company and shall be used by the Company at its own discretion.

13.2. The Company shall create a reserve fund and may create other financial funds. The procedure for the use of such funds shall be established by the Board of Directors.

13.3. The Company shall form a reserve fund in the amount of 15 percent of the Charter Capital. Until the reserve fund reaches this amount, annual deductions to the reserve fund shall be made in the amount of five percent of net profits.

The reserve fund shall be used to cover the Company's losses and to redeem Company bonds and repurchase Company shares in the absence of other resources.

13.4. The Company may decide on (declare) the payment of dividends on outstanding shares once each year.

Dividends shall be paid from the Company's net profits.

13.5. Decisions on the payment of annual dividends, the amount, form and time of payment of dividends on each class (type) of shares shall be taken by the Shareholders Meeting. Annual dividends may not exceed the amount recommended by the Company's Board of Directors.

13.6. For each payment of annual dividends, the Board of Directors shall compile a list of persons entitled to receive dividends. This list shall be compiled as at the date of compilation of the list of persons entitled to participate in the annual Shareholders Meeting.

13.7. Dividends shall be paid in cash by wire transfer to the bank account or bank deposit of the shareholder, by mail order, or in any other manner agreed with the shareholder, or in the form of other assets in the event the Shareholders Meeting passes a decision on the payment of dividends in other assets.

13.8. The tax on dividends payable to shareholders shall be withheld pursuant to the procedure established by applicable law.

Article 14. Accounting and Reporting

14.1. The Company shall keep accounts and other records and shall submit financial statements and other reports pursuant to the procedure established by effective legislation.

14.2. The President shall be responsible for the organization of the Company's accounting procedures, the status and reliability of the Company's accounts, the timely submission of the annual report and other financial statements to the relevant authorities, and information on the Company's activities made available to shareholders, creditors and the media.

The Company's Chief Accountant shall exercise control over the accurate presentation in the accounts of all business transactions and the timely submission of financial and other statements.

14.3. The financial year shall be from January 1 through December 31 inclusive of each year.

14.4. The Company's Audit Commission shall confirm the reliability of information contained in the annual report and annual financial statements of the Company.

14.5. The annual report of the Company shall be subject to preliminary approval by the Board of Directors of the Company, not later than 30 days prior to the date of the annual Shareholders Meeting.

Article 15. Reorganization and Liquidation of the Company

15.1. Reorganization and liquidation of the Company shall be carried out in accordance with the requirements of the laws of the Russian Federation.

15.2. The reorganization of the Company (merger, takeover, split-up, spin-off, transformation) shall be carried out by decision of the Shareholders Meeting only on the

recommendation of the Board of Directors, and also in cases stipulated by the laws of the Russian Federation.

15.3. In the event of reorganization, the transfer of the rights and duties of the Company to its legal successor(s) shall be documented in an act of transfer or separation balance sheet.

15.4. The liquidation of the Company shall be carried out pursuant to the decision of the Shareholders Meeting and also in cases stipulated by the laws of the Russian Federation.

15.5. The liquidation of the Company shall be carried out by a liquidation commission elected by the Shareholders Meeting or appointed by a court.

15.6. The liquidation commission shall publish, in the print media where information on the registration of legal entities is published, an announcement of the liquidation of the Company and the procedure and deadlines for the filing of claims by creditors.

15.7. From the time the liquidation commission is appointed, all authorities in the management of the Company shall pass to the liquidation commission.

15.8. The procedure and time period for the Company's liquidation shall be established by the Shareholders Meeting or a court. The deadline for filing of claims by creditors may not be less than two months from the date of publication of the announcement of the Company's liquidation.

15.9. The order in which the creditors' claims are satisfied in case of the Company's liquidation shall be determined by the laws of the Russian Federation.

15.10. The Company shall be deemed to have been reorganized or liquidated from the date the appropriate entry is made in the Unified State Register of Legal Entities.

15.11. In the event of a reorganization of the Company that results in the termination of the Company's activity, all documents shall be transferred to the legal successor in compliance with applicable rules. In the event of the liquidation of the Company, documents designated for permanent storage, having scientific and historical value, shall be transferred to the State Archives of the Russian Federation.