

Approved by
Resolution of the Extraordinary General
Shareholders Meeting of
Open Joint-Stock Company
Obyedinenniye Mashinostroitelniye
Zavody
(Uralmash-Izhora Group)
Minutes dated 24 December 2004

CHARTER
of
Open Joint-Stock Company
Obyedinenniye Mashinostroitelniye Zavody (Uralmash-Izhora Group)
(Version No. 4)

City of Yekaterinburg
2004

ARTICLE 1. GENERAL PROVISIONS

1.1. The Open Joint-Stock Company Obyedinenniye Mashinostroitelniye Zavody (Uralmash-Izhora Group) (hereinafter, the "Company") was registered by Oder No. 847-a of the Head of Administration of the Ordzhonikidzevsky District, city of Yekaterinburg, on December 19, 1996, State Registration Certificate No. 05512, series II-OI. The main state registration number 1026605610800 was given to the Company on September 17, 2002.

The Joint-Stock Company Obyedinenniye Mashinostroitelniye Zavody (Uralmash-Izhora Group) was organized and is operating in accordance with the Civil Code of the Russian Federation, the Federal Law On Joint-Stock Companies (the "Federal Joint-Stock Company Law") and other regulatory acts of the Russian Federation. In case of amendment of the existing provisions of the applicable laws and other regulatory acts, this Charter shall continue to be in effect to the extent that it does not contradict such provisions.

The Joint-Stock Company Obyedinenniye Mashinostroitelniye Zavody (Uralmash-Izhora Group) is an open joint-stock company.

The official language for the Company's business correspondence is Russian. All corporate documents of the Company and all of its business correspondence shall be in Russian.

1.2. The Company has been founded for an unlimited period of operation.

ARTICLE 2. COMPANY NAME AND LOCATION

2.1. The Company's full name in Russian is: Otkrytoe Aktsionernoe Obschestvo Obyedinenniye Mashinostroitelniye Zavody (Gruppa Uralmash-Izhora).

The Company's abbreviated name in Russian is: OAO OMZ.

The Company's name in English is: OMZ.

2.2. The location of the Company is: Ploschad Pervoy Pyatiletki, Yekaterinburg 620012, Russian Federation.

ARTICLE 3. COMPANY'S OBJECTIVE AND TYPES OF ACTIVITIES

3.1. The Company's objective is to gain profit.

3.2. The Company shall have civil rights and bear civil obligations necessary to exercise any type of activity not prohibited by the federal laws.

3.3. The Company may carry out any type of activity not prohibited by the laws of the Russian Federation.

3.4. The Company may engage in certain types of activities listed in the federal laws only on the basis of a special permit (license).

ARTICLE 4. LEGAL STATUS OF THE COMPANY

4.1. The Company is a legal entity, and owns separate property which is accounted for on its separate balance sheet. The Company may, on its own behalf, acquire and exercise various property and personal non-property rights, assume obligations, and may act as a plaintiff and defendant in court.

4.2. The Company may in accordance with the established procedure open bank accounts inside and outside the Russian Federation.

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

4.4. The Company may have stamps and stationery with its name, its own logo, and the trademark registered in accordance with the established procedure, and other means of visual identification.

4.5. The Company may engage in all types of foreign trade activities.

4.6. The Company may participate in and create commercial organizations inside and outside of the Russian Federation.

4.7. The Company may, on a voluntary basis, join unions and associations, and may also be a member of other non-profit organizations, both inside and outside of the Russian Federation.

ARTICLE 5. LIABILITY OF THE COMPANY

5.1. The Company shall be liable for its obligations with all its property.

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

5.3. The state and its instrumentalities shall not be liable for the obligations of the Company, just as the Company shall not be liable for the obligations of the state and its instrumentalities.

ARTICLE 6. BRANCHES AND REPRESENTATIVE OFFICES

6.1. The Company may establish branches and open representative offices in the Russian Federation in accordance with the requirements of the federal laws.

The Company may establish branches and open representative offices outside the Russian Federation in accordance with the laws of the foreign jurisdiction of location of such branches and representative offices, unless otherwise provided for by the international treaties of the Russian Federation.

6.2. Branches and representative offices shall engage in activities on behalf of the Company which shall be liable for their activities.

6.3. Branches and representative offices are not legal entities, they receive their assets from the Company and shall act in accordance with the regulations on branches and representatives.

Assets of branches and representative offices shall be accounted for on their separate balance sheets and on the balance sheet of the Company.

6.4. The heads of branches and representative offices shall act on the basis of a power of attorney issued to them by the Company.

6.5. The Company has a representative office in the city of Moscow located at: 25 Ermolaevsky Pereulok, Building 1, Moscow 123379).

ARTICLE 7. CHARTER CAPITAL

Outstanding and Authorized Shares

7.1. The Company's charter capital is RUR 3,823,018.6 (Three Million Eight Hundred Twenty-Three Thousand Eighteen Rubles 6 kopecks). The charter capital represents the aggregate par value of the Company's shares which have been acquired by the shareholders,

including:

- 35,480,186 (Thirty-Five Million Four Hundred Eighty Thousand One Hundred Eighty-Six) common registered shares with a par value of 0.1 (one tenth) Ruble per share; and

- 2,750,000 (Two Million Seven Hundred Fifty Thousand) cumulative preferred registered shares with a par value of 0.1 (one tenth) Ruble per share.

7.2. In addition to the shares already outstanding, the Company may issue 35,219,814 (Thirty-Five Million Two Hundred Nineteen Thousand Eight Hundred Fourteen) additional common registered shares (authorized shares) with a par value of 0.1 (one tenth) Ruble per share.

Authorized shares shall grant the same rights as outstanding shares of the same category (types) as set forth in this Charter.

Charter Capital Increase

7.3. The Company's charter capital may be increased by increasing the par value of the shares or by issuing additional shares.

7.4. A decision to increase the Company's charter capital by increasing the par value of the shares shall be made by the General Shareholders Meeting.

7.5. A decision to increase the Company's charter capital by issuing additional shares within the number of authorized shares established in the Company's Charter shall be made by the Board of Directors except when pursuant to the Federal Joint-Stock Company Law such a decision may be made only by the General Shareholders Meeting.

A resolution of the Company's Board of Directors to increase the charter capital by issuing additional shares requires unanimous approval by all members of the Company's Board of Directors, without taking into account the votes of resigned members of the Company's Board of Directors.

In case the Board of Directors does not unanimously approve the increase of the Company's charter capital by placing additional shares, the Company's Board of Directors may adopt a resolution to submit the matter of increasing the charter capital by issuing additional shares for approval by the General Shareholders Meeting.

7.6. When increasing the charter capital, the Company shall observe the limitations established by the federal laws.

Charter Capital Reduction

7.7. The Company's charter capital may be reduced by reducing the par value of the shares or by decreasing their total number, including by way of redemption of a portion of the shares.

7.8. The Company's charter capital may be reduced by redemption of a portion of the Company's outstanding shares pursuant to a resolution of the General Shareholders Meeting with a view to retiring them.

7.9. The Company's charter capital may be reduced pursuant to a resolution of the General Shareholders Meeting to reduce the charter capital by retirement of treasury shares in the following cases:

- if the shares redeemed by the Company on demand of the Shareholders are not sold within one year from the date of their redemption (except in case of redemption of the shares in connection with a decision to reorganize the Company);

- if the shares acquired by the Company in accordance with clause 2 of article 72 of the Federal Joint-Stock Company Law are not sold within one year from the date of their acquisition.

7.10. If, upon the end of the fiscal year pursuant to the annual accounting balance sheet submitted for approval to the Company's Shareholders, or pursuant to the results of the audit, the Company's net asset value proves to be less than its charter capital, the Company shall be obligated to announce a reduction of its charter capital to an amount not greater than its net asset value.

In this case, the Company's charter capital shall be reduced by way of reduction of the par value of the shares.

7.11. Within 30 days from the date of a resolution to reduce the charter capital, the Company shall be obligated to give a written notice to the Company's creditors of the reduction of the Company's charter capital and of its new size, and to publish an announcement of such decision in a printed medium designated for publication of data on state registration of legal entities.

7.12. The Company's charter capital shall be reduced on the basis of a resolution of the General Shareholders Meeting on reorganization of the Company by:

- retirement of shares redeemed by the Company upon its reorganization;
- retirement of shares converted upon reorganization of the Company by spin-off.

7.13. When reducing the charter capital, the Company shall observe the limitations established by the federal laws.

Net Assets

7.14. The value of the Company's net assets shall be determined on the basis of the Company's accounting records, in the manner specified by the regulatory acts of the Russian Federation.

7.15. If, upon the end of the fiscal year pursuant to the annual accounting balance sheet submitted for approval to the Company's Shareholders, or pursuant to the results of the audit, the Company's net asset value proves to be less than the minimum statutory size of the charter capital, the Company shall be obligated to make a decision to liquidate.

7.16. If the Company failed to make a decision to reduce the charter capital as provided in clause 7.10. of this Charter, or to liquidate the Company as provided in clause 7.15. of this Charter, the Company's creditors shall have the right to demand from the Company early termination or acceleration of its obligations and indemnification of the creditors against losses.

7.17. Profit (income) retained by the Company after payment of taxes, other payments, and charges to the budget and non-budgetary funds, shall be at the Company's complete disposal, and may be used by the Company at its own discretion.

To secure the Company's ability to perform its obligations, its business and social development appropriate special-purpose funds shall be formed out of profit (income) remaining after payment of taxes, other payments and charges, and other proceeds.

Reserve Fund

7.18. The Company shall form a reserve fund in the amount of 25 (twenty-five) percent of the Company's charter capital.

7.19. The size of the annual allocations to the Company's reserve fund shall be 5 (five)

percent of the Company's net profit. Such allocations shall be made until the reserve fund reaches the size provided for herein.

7.20. The reserve fund shall be intended to cover losses and to retire the Company's bonds and redeem the Company's shares in the event other funds are unavailable.

The reserve fund may not be used for other purposes.

ARTICLE 8. SHAREHOLDER REGISTER

8.1. The Company shall entrust maintaining and keeping of the Company's shareholder register to a specialized registrar.

Specialized registrar shall be selected by the Company's Board of Directors.

8.2. The shareholder register shall include information on each registered person, the number and categories (types) of the shares entered in the name of each registered person, and other information required by the laws of the Russian Federation.

8.3. Entries into the Company's shareholder register shall be made upon demand of a shareholder (or its representative) or a nominal holder within three days from submission of the documents required by the federal laws.

Making an entry to the Company's shareholder register may not be denied unless provided for by the federal laws.

8.4. The Company's registrar of shareholders, upon demand of a shareholder or a nominal holder, shall be obligated to confirm its rights to the shares by issuing an extract from the Company's shareholder register, such extract not being a security.

8.5. A person registered in the Company's shareholder register shall be obligated to timely inform the Company's registrar about changes in its data. In case of failure to provide information concerning changes in its data, neither the Company nor the registrar shall be liable for any losses incurred in connection therewith.

8.6. The Company shall be responsible for maintaining and keeping of the Company's shareholder register.

ARTICLE 9. SHARES OF THE COMPANY

Types of Shares Issued by the Company; General Rights and Obligations of Shareholders

9.1. The Company shall have the right to issue common shares, and one or more types of preferred shares.

9.2. All shares of the Company shall be registered and shall be issued in a book-entry form.

9.3. Shareholders shall not be liable for the obligations of the Company and shall bear the risk of loss related to the Company's business only to the extent of the value of the shares they own.

9.4. Shareholders which did not fully pay for their shares at the time of their issuance shall be jointly and severally liable for the obligations of the Company to the extent of the unpaid portion of the value of the shares which they own.

9.5. A Shareholder shall be obligated to:

- pay for the shares within the period, in the manner and by methods provided for by the applicable laws, the Company's Charter, and the agreement on their acquisition

(issuance);

- timely inform the holder of the Company's shareholder register about changes in their data;
- maintain confidentiality in respect of the matters concerning the activities of the Company;
- fulfill the requirements of the Company's Charter and the decisions of the Company's bodies.

9.6. A person which individually or jointly with its affiliate(s) has acquired 30 percent or more of the Company's outstanding common shares shall offer the other Shareholders to sell to it their common shares of the Company and other securities convertible into common shares, in the manner and within the time limits set forth by the Federal Joint-Stock Company Law.

9.7. Shareholders of all categories (types) shall have the following general rights:

- to dispose of their shares without consent of other Shareholders and the Company;
- Shareholders of the Company shall have a preemptive right to acquire additional shares and securities convertible into shares placed through open subscription, in the amount proportional to the number of shares of the same category (type) they own;
- Shareholders of the Company which voted against or did not take part in the voting on the matter of placement by closed subscription of shares and securities convertible into shares, shall have a preemptive right to acquire additional shares and securities convertible into shares placed by closed subscription in the amount proportional to the number of shares of the same category (type) they own. Such preemptive right shall not apply in the case of placement by closed subscription of shares and other securities convertible into shares carried out by closed subscription only among Shareholders, provided that Shareholders are able to acquire a whole number of the issued shares or other securities convertible into shares in the amount proportional to the number of shares of the same category (type) they own;
- to receive a share of the net profit (dividends) distributable among Shareholders in the manner specified by law and the Charter depending on the category (type) of shares they own;
- to receive a portion of the assets of the Company (a liquidation quota) which remain after liquidation of the Company, pro rata to the number of the shares of each corresponding category (type) they hold;
- to have access to the Company's documents in the manner specified in the Federal Joint-Stock Company Law and in the Company's Charter, and to receive copies thereof for a fee;
- to participate in the General Shareholders Meetings;
- to exercise any other rights set forth in the laws, this Charter, and decisions of the General Shareholders Meeting made within the scope of its powers.

Common Shares

9.8. All common shares of the Company shall have identical par value and shall grant its holders the same scope of rights.

9.9. Holders of the Company's common shares may, in accordance with the Federal Joint-Stock Company Law, participate in the General Shareholders Meeting with the right to vote on all issues within the scope of its powers, and shall have the right to receive dividends and, in the event of the Company's liquidation, the right to receive a portion of its assets (a

liquidation quota).

Cumulative Preferred Shares

9.10. Cumulative preferred shares of the Company of one type shall have identical par value and shall grant their owners the same scope of rights.

9.11. A holder of cumulative preferred shares shall have the right to participate in the General Shareholders Meetings. A holder of cumulative preferred shares of the Company shall have no right to vote at the General Shareholders Meeting, unless otherwise provided by the Federal Joint-Stock Company Law.

A holder of cumulative preferred shares which participates in the General Shareholders Meeting shall have the right to vote on matters concerning reorganization or liquidation of the Company.

9.12. A holder of cumulative preferred shares shall have the first order of priority as against holders of common shares in receiving:

- dividends in the amount and manner specified herein;
- accrued but unpaid dividends in case of liquidation of the Company;
- a share of the value of the Company's assets (liquidation value) remaining after liquidation.

9.13. Annual dividends shall accrue on each cumulative preferred share at the rate of 12 percent per annum on its par value. The liquidation value of each cumulative preferred share shall be equal to its par value. Dividends on cumulative preferred shares which are unpaid or not fully paid shall accrue and shall be paid thereafter.

Voting Shares

9.14. Voting shares shall provide their holders the right to vote on all issues within the powers of the General Meeting, and on certain issues set forth in the Federal Joint-Stock Company Law.

The following shares shall be voting shares for the purposes of voting on all issues within the powers of the General Meeting:

- Fully paid up common shares, except for treasury shares;
- Cumulative preferred shares, the amount of dividends on which is established in this Charter, beginning with the meeting following the annual General Meeting which is to make a decision to pay dividends on these shares in the full amount of the accrued dividends, if such decision was not made or a decision was made to partially pay the dividends on shares of this type. The right of the Shareholders owning cumulative preferred shares to participate in the General Shareholders Meeting shall terminate from the moment all dividends accrued on such shares have been fully paid.

9.15. Cumulative preferred shares shall provide the right to vote on issues concerning the reorganization and liquidation of the Company.

9.16. Cumulative preferred shares shall provide the right to vote on issues concerning amendments to the Company's Charter limiting the rights of the Shareholders owning cumulative preferred shares, including cases of determining or increasing the size of the dividends and/or determining or increasing the liquidation dividend payable on preferred shares of an earlier priority, or which grant to Shareholders owning another type of preferred shares priority in the order of disbursement of dividends and/or liquidation dividend on the shares.

9.17. Shares voting on all matters within the powers of the General Meeting shall provide their holders the right to:

- participate in voting (including absentee voting) at the General Shareholders Meeting on all issues within its powers;
- nominate candidates to various bodies of the Company in the manner and on the terms set forth in the laws and this Charter;
- make proposals to the agenda of the annual General Shareholders Meeting in the manner and on the terms set forth in the laws and this Charter;
- demand to review the list of persons entitled to participate in the General Shareholders Meeting, in the manner and on the terms set forth in the Federal Joint-Stock Company Law and the Company's Charter;
- have access to the accounting records in the manner and on the terms set forth in the Federal Joint-Stock Company Law and the Company's Charter;
- demand the convocation of an extraordinary General Shareholders Meeting, and audits by the Audit Commission of the Company's financial and business activities, in the manner and on the terms set forth in the Federal Joint-Stock Company Law and the Company's Charter;
- demand redemption by the Company of all or part of the shares it owns in cases set forth in the Federal Joint-Stock Company Law.

9.18. Cumulative preferred shares voting only on specified issues within the powers of the General Shareholders Meeting shall provide their holders the right to:

- participate in voting (including absentee voting) at the General Shareholders Meeting only on such issues;
- demand redemption by the Company of all or part of the shares which it owns, in case the General Shareholders Meeting votes affirmatively on certain issues specified in article 12 hereof, provided that they did not participate in the voting or voted against on such issues.

Share Consolidation and Split

9.19. Pursuant to a resolution of the General Shareholders Meeting, the Company may effect consolidation or split of its outstanding shares and make corresponding amendments to the Company's Charter. If fractional shares are created as a result of consolidation, they shall grant their holders the rights granted by the share of the same category (type) pro rata to the part of the whole share which it constitutes.

ARTICLE 10. PLACEMENT OF SHARES AND OTHER SECURITIES

10.1. The Company shall have the right to issue additional shares and other securities by subscription and conversion. In the case of increase of the Company's charter capital at the expense of its assets, the Company must issue additional shares by distributing them among its Shareholders.

10.2. In case of issuance of shares and securities convertible into shares by subscription, the Company shall have the right to conduct open and closed subscriptions.

10.3. Upon issuance of new shares and other securities the Company is obligated to disclose information about the objectives of the issuance and other information required by the applicable laws.

ARTICLE 11. ACQUISITION BY THE COMPANY OF ITS OUTSTANDING SHARES

11.1. The Company shall have the right to acquire its outstanding shares pursuant to a resolution of the General Shareholders Meeting to reduce the Company's charter capital by acquiring a part of the outstanding shares for the purpose of reducing their total number.

11.2. The shares acquired by the Company pursuant to a resolution of the General Shareholders Meeting to reduce the Company's charter capital by acquiring a part of the shares for the purpose of reducing their total number shall be retired upon acquisition.

11.3. The Company may acquire its outstanding shares pursuant to a resolution of the Board of Directors in accordance with clause 2 of article 72 of the Federal Joint-Stock Company Law.

11.4. Shares acquired by the Company in accordance with clause 2 of article 72 of the Federal Joint-Stock Company Law shall not provide the right to vote, shall not be taken into account for the purposes of counting votes, and shall not accrue dividends. Such shares must be sold, at their market value, within one year from the date of their acquisition. Otherwise, the General Shareholders Meeting shall pass a resolution to reduce the Company's charter capital by retiring such shares.

11.5. Payment for the outstanding shares acquired by the Company may be made in cash, securities, other assets, property or other rights having a cash equivalent.

11.6. The Company may pass a resolution to acquire its outstanding shares subject to the limitations established by the federal laws.

ARTICLE 12. REDEMPTION BY THE COMPANY OF ITS OUTSTANDING SHARES

12.1. Holders of the voting shares shall have the right to demand redemption by the Company of all or part of their shares if the General Meeting passes any of the following resolutions:

- to reorganize the Company or enter into a major transaction which requires approval of the General Shareholders Meeting pursuant to clause 2 of article 79 of the Federal Joint-Stock Company Law, if such Shareholder(s) voted against such resolution on reorganization or approval of such transaction, or did not participate in the voting on these matters;

- to make amendments to the Company's Charter or approve a new version of the Company's Charter which limit their rights, if they voted against such resolution or did not participate in the voting.

12.2. Shareholders who have not submitted the voting ballots to the Company by the deadline specified in this Charter and by the applicable laws shall be considered to have not participated in the voting regardless of the form of the Meeting.

12.3. The list of Shareholders who have the right to demand redemption by the Company of their shares shall be compiled on the basis of the data of the Company's register as of the date of compilation of the list of persons having the right to participate in the General Shareholders Meeting, the agenda for which includes matters voting on which pursuant to the Federal Joint-Stock Company Law may trigger the right to demand redemption of shares.

12.4. The Company shall redeem the shares at a price determined by the Company's Board of Directors which may not be below the market value to be determined by an

independent appraiser disregarding changes in value which result from the actions of the Company which triggered the right to demand valuation and redemption of shares.

The total amount used by the Company to redeem the shares may not exceed 10% of the net asset value of the Company as of the date of the decision which triggered the right of Shareholders to demand redemption by the Company of the shares owned by them.

In case the total number of shares demanded to be redeemed exceeds the number of shares which may be redeemed by the Company subject to the above limitation, the shares shall be redeemed pro rata to the amount demanded by the Shareholders to be redeemed.

12.5. In case the agenda includes matters the voting on which pursuant to the applicable laws of Russian Federation may trigger the right of Shareholders to demand redemption by the Company of their shares, the notice of such General Shareholders Meeting must also contain the following information:

1) information on the Shareholders' right to demand redemption by the Company of the shares owned by them;

2) information on the price of the redeemed shares;

3) information on the procedure and timeline of redemption.

12.6. Shareholders shall have the right to submit a written demand for redemption by the Company of the shares which they own. The demand must indicate the Shareholder's place of residence (or location), the number of shares the redemption of which is demanded, and such demand must be submitted within 45 days after the date of the corresponding resolution by the General Shareholders Meeting.

Upon expiration of such time period, the Company shall be obligated to redeem the shares indicated in the demand within 30 days.

12.6. Shares redeemed by the Company in case of its reorganization shall be retired upon redemption. Shares redeemed by the Company in other cases specified in clause 12.1 of the Company's Charter shall become treasury shares.

Treasury shares shall not grant the right to vote, shall not be taken into account for the purposes of counting votes, and shall not accrue dividends. Such shares must be sold within one year from the date of their acquisition. Otherwise, the General Shareholders Meeting is required to pass a resolution to reduce the Company's charter capital by retiring such shares.

ARTICLE 13. DIVIDENDS

13.1. The Company shall have the right on the basis of the results of the first quarter, six months, nine months of a fiscal year and/or on the basis of the results of the fiscal year to make a decision to pay (declare) dividends on the outstanding shares, unless otherwise provided by the Federal Joint-Stock Company Law.

13.2. The Company shall pay declared dividends on the shares of each category (type).

13.3. The source of the dividends shall be the Company's profit after taxes (net profit). Net profit of the Company shall be determined on the basis of the Company's accounting records. Dividends on cumulative preferred shares may also be paid out of special funds of the Company formed earlier for these purposes.

13.4. The decision to pay (declare) dividends, including the decision on the size of the dividend and the form of its payment on shares of each category (type) shall be made by the General Shareholders Meeting. The size of the dividend may not exceed the size recommended by the Company's Board of Directors.

13.5. The deadline for payment of the annual dividend shall be determined on or before December 31 of the year in which the General Shareholders Meeting made a decision

to pay dividends.

13.6. The list of persons entitled to receive dividends shall be prepared as of the date of preparation of the list of persons entitled to participate in the General Shareholders Meeting which makes the relevant decision to pay dividends. For the purposes of preparation of the list of persons entitled to receive dividends the nominal holder of shares shall provide information on the beneficial owners of the shares it holds.

13.5. The Company shall make decisions to pay dividends (declare dividends) subject to the limitations set forth in the federal laws.

ARTICLE 14. THE MANAGEMENT STRUCTURE OF THE COMPANY

14.1. The management bodies of the Company shall be:

- General Shareholders Meeting;
- Board of Directors;
- Management Board (collegial executive body);
- General Director (sole executive body).

14.2. The Audit Commission shall be the body of control over the Company's financial and business activities.

14.3. The Board of Directors and the Audit Commission shall be elected by the General Shareholders Meeting in the manner specified by this Charter and by the Regulation on the Board of Directors and the Regulation on the Audit Commission.

14.4. The Management Board and the General Director shall be elected by the Company's Board of Directors in accordance with the provisions of this Charter.

14.5. The Company's Corporate Secretary shall be appointed by the Board of Directors and shall act pursuant to the Regulation on the Corporate Secretary of the Company.

14.6. The functions of the Company's counting commission shall be performed by the Company's registrar.

14.7. In case a liquidation commission is appointed, all functions relating to management of the Company's business shall be transferred to it.

In case of a voluntary dissolution of the Company the liquidation commission shall be elected by the General Shareholders Meeting, and in case of a forced liquidation it shall be appointed by the court (arbitration court).

ARTICLE 15. GENERAL SHAREHOLDERS MEETING

General Provisions

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

Resolutions of the General Shareholders Meeting may be passed (forms of conducting the General Shareholders Meeting) in the following manner:

- by joint attendance of Shareholders for discussion of matters on the agenda and decision making on matters which have been put to vote, with the advance mailing (or personal delivery) of the voting ballots prior to the General Shareholders Meeting;
- by absentee voting (without joint attendance of the Shareholders for discussion of matters of the agenda and making decisions on matters which have been put to vote).

The Company shall conduct the annual General Shareholders Meeting every year not

earlier than 2 months and not later than 6 months after the end of the fiscal year. General Shareholders Meetings conducted in addition to the annual General Shareholders Meeting shall be extraordinary.

The annual General Shareholders Meeting shall review the following matters:

- approval of the Company's annual report submitted by the Board of Directors, the annual financial statements, including profit and loss statements (profit and loss accounts) of the Company, distribution of profits, including payment (declaration) of dividends, and losses of the Company for the fiscal year;
- election of the Board of Directors;
- election of the Audit Commission;
- approval of the auditor;

and any other issues referred to the competence of the General Shareholders Meeting.

The procedure for preparing, convening, conducting, and summarizing the results of the General Shareholders Meeting shall be determined by this Charter and the Regulation on the General Shareholders Meeting.

Powers of the General Shareholders Meeting

15.2. Powers of the General Shareholders Meeting shall include decision of the following matters:

- 1) amendments to the Company's Charter or approval of a restated version of the Company's Charter (except for cases established by the Federal Joint-Stock Company Law);
- 2) reorganization of the Company;
- 3) liquidation of the Company, appointment of a liquidation commission, and approval of interim and final liquidation balance sheets;
- 4) determination of the number of members of the Board of Directors, election of its members and early termination of their powers;
- 5) determination of the number, par value, category (type) of authorized shares and the rights granted by them;
- 6) increasing the Company's charter capital by increasing the par value of the shares;
- 7) increasing the Company's charter capital by issuance of additional shares by closed subscription;
- 8) increasing the Company's charter capital by issuance of shares by an open subscription for common shares constituting over 25 percent of the common shares already outstanding;
- 9) placement by open subscription of securities convertible into common shares constituting over 25 percent of the common shares already outstanding;
- 10) reducing the Company's charter capital by decreasing the par value of the shares, by way of acquisition by the Company of a part of its shares for the purpose of reducing their total number, and by retirement of shares acquired or redeemed by the Company (the Company's treasury shares);
- 11) election of the members of the Company's Audit Commission and early termination of their powers;
- 12) decision to transfer the powers of the Company's sole executive body on a contractual basis to a commercial organization (management company) or an individual entrepreneur (manager);
- 13) approval of the Company's auditor;
- 14) payment (declaration) of dividends on the basis of the results of the first

quarter, six months, nine months of the fiscal year;

15) approval of annual reports, annual accounting statements, including profit and loss statements (profit and loss accounts) of the Company, and distribution of profits, including payment (declaration) of dividends, except for the profit distributed in the form of dividends on the basis of the results of the first quarter, six months, nine months of the fiscal year, and losses of the Company based on the results of a fiscal year;

16) determining the procedure for conducting the General Shareholders Meeting;

17) split and consolidation of shares;

18) passing resolutions on approval of transactions in cases specified in article 22 of the Company's Charter;

19) passing resolutions on approval of major transactions in cases specified in clause 21.4 of the Company's Charter;

20) passing resolutions on approval of major transactions in cases specified in clause 21.5 of the Company's Charter;

21) acquisition by the Company of outstanding shares in cases specified in clause 1 of article 72 of the Federal Joint-Stock Company Law;

22) passing resolutions on the Company's participation in holding companies, financial and industrial groups, associations and other alliances of commercial organizations;

23) approval of internal documents governing the activities of the various management bodies of the Company;

24) passing a resolution on the remuneration and/or reimbursement for expenses incurred by the members of the Company's Audit Commission in connection with the performance of their duties during the period of performance of their duties; determination of the amount of such remuneration and reimbursement;

25) passing a resolution on the remuneration and/or reimbursement for expenses incurred by members of the Company's Board of Directors in connection with the performance of their duties during the period of performance of their duties; determination of the amount or such remuneration and reimbursement;

26) making decisions on other matters specified in the Federal Joint-Stock Company Law.

15.3. The General Meeting shall not have the right to consider or pass resolutions on matters which are not within its powers under the laws and the Company's Charter.

15.4. The General Meeting shall not have the right to pass resolutions on matters which have not been included in the agenda or change the agenda.

15.5. The Chairman of Board of Directors shall preside over the General Shareholders Meeting, and if he/she is absent or refuses to preside, the person performing the functions of the sole executive body or any member of Board of Directors shall preside, pursuant to a decision of the Board of Directors.

Decision-Making Procedures of the General Shareholders Meeting

15.6. The decision of a General Shareholders Meeting on a matter put to vote shall be adopted by a majority vote of the holders of the voting stock of the Company participating in the meeting, unless otherwise provided by the applicable laws of the Russian Federation for the purposes of adoption of decisions.

15.7. Decisions on matters specified in sub-clauses 2, 6-8, 12, 16-23 of clause 15.2. hereof shall be made by the General Shareholders Meeting only as proposed by the Board of Directors.

15.8. Decisions on matters specified in sub-clauses 1-3, 5, 7, 8, 19, 20 of clause 15.2

hereof shall be made by the General Shareholders Meeting by a three-fourths majority vote of the holders of the voting stock of the Company participating in the General Shareholders Meeting.

15.9. The votes at a General Shareholders Meeting on a matter put to vote cast by the holders of ordinary and preferred shares of the Company entitled to vote thereon, shall be counted with regard to all voting stock jointly.

15.10. Resolutions passed by the General Shareholders Meeting and voting results shall be announced at the General Shareholders Meeting at which a vote was taken.

Information on the General Shareholders Meeting

15.11. Notice of the General Shareholders Meeting shall be given at least 20 days prior to the date of the Meeting.

If the proposed agenda of the extraordinary General Shareholders Meeting includes elections of the members of the Board of Directors the Company shall notify its Shareholders of the extraordinary General Shareholders Meeting at least 50 days prior to the date of such Meeting.

Notice of the General Meeting shall be sent to every person on the list of persons entitled to participate in the General Meeting by registered mail to the mailing address indicated on the list or personally delivered to each such person against acknowledgement of receipt, and shall also be published in the IZVESTIA newspaper.

The Company shall have the right to additionally inform the Shareholders about conducting of the General Shareholders Meeting through the mass media (television, radio), and the Internet.

15.12. The information (materials) which must be provided to persons entitled to participate in the General Shareholders Meeting in connection with the preparation for the General Shareholders Meeting shall include the annual reports, annual financial statements, opinions of the Auditor and the Company's Audit Commission on results of their audits of the annual financial statements, opinion of the Company's Audit Commission on results of the audit of the Company's financial and business activities for the year, opinion of the Audit Commission concerning the accuracy of data contained in the annual reports, information on candidate(s) nominated to serve on the Company's Board of Directors and Audit Commission, and as the Company's Auditor, proposed amendments to the Company's Charter or a draft of a new version of the Company's Charter, drafts of internal Company documents to be approved by the General Shareholders Meeting, drafts of resolutions of the General Shareholders Meeting, proposed distribution of profits for the first quarter, six months, nine months of the fiscal year, for the fiscal year, including payment (declaration) of dividends, payment of remuneration and/or reimbursement for expenses incurred by the members of the Company's Audit Commission in connection with performance of their duties, and payment of remuneration and/or reimbursement for expenses incurred by members of the Company's Board of Directors in connection with performance of their duties.

Upon request of a Shareholder, the information (materials) which must be provided to the persons entitled to participate in the General Shareholders Meeting in connection with the preparation for the General Shareholders Meeting may be provided in electronic form.

Proposals to the Agenda of the General Shareholders Meeting

15.13. A Shareholder (s) which own in the aggregate at least 2 percent of the voting shares of the Company shall have the right to propose matters to the agenda of the annual

General Shareholders Meeting and to nominate candidates to the Board of Directors and the Company's Audit Commission whose number may not exceed the total number of the members of the relevant body.

Such proposals must be received by the Company within 90 days after the end of the fiscal year.

15.14. If the proposed agenda for an extraordinary General Shareholders Meeting includes elections of members to the Company's Board of Directors, the Company's Shareholder(s) which own in the aggregate at least 2 percent of the voting shares of the Company, shall have the right to nominate candidates to the Company's Board of Directors whose number may not exceed the total number of the members of the Company's Board of Directors.

Such proposals must be received by the Company at least 30 days prior to the date of the extraordinary General Shareholders Meeting.

15.15. Proposals to include the matters into the agenda of the General Shareholders Meeting must contain the wording of each proposed matter. A proposal to include the matters into the agenda of the General Shareholders Meeting may contain the wording of the resolution on each proposed matter.

15.16. A proposal to nominate a candidate must contain the name of each proposed candidate, the name of the body to which his election is being proposed, and other information required by the Company's internal documents.

15.17. Proposals to include matters into the agenda of the General Shareholders Meeting and to nominate candidates shall be submitted in writing and shall include the name(s) of the nominating Shareholder(s), the amounts and categories (types) of the shares they own, and must be signed by such Shareholder(s).

15.18. The Company's Board of Directors shall be obliged to review all proposals received and to make a decision on including them into the agenda of the General Shareholders Meeting or to refuse to include them into the agenda within 5 days after the deadline specified by the Charter for submission to the Company of proposals to the agenda of the annual General Shareholders Meeting and candidates for election to the Board of Directors and Company's Audit Commission, and within 5 days after the deadline for submission to the Company of proposals to the agenda of an extraordinary General Shareholders Meeting on nomination of candidates to the Company's Board of Directors.

15.19. A matter proposed by a Shareholder or Shareholders shall be included into the agenda of the General Shareholders Meeting and, in like manner, candidates nominated shall be included into the list of the candidates for election to the relevant Company's bodies, except in cases where:

- the Shareholder or Shareholders failed to observe the deadline specified in the Charter for proposing matters to the agenda or nomination of candidates to be elected at the annual General Shareholders Meeting;
- the Shareholder or Shareholders failed to observe the deadline specified in the Charter for nomination of candidates for election to the Board of Directors at an extraordinary General Shareholders Meeting;
- the Shareholder or Shareholders who signed the proposal do not own the required number of voting shares of the Company as specified in clauses 15.13. and 15.14. of this Charter;
- the proposal does not comply with the requirements of clauses 15.15.-15.17. of this Charter;
- the matter proposed to be included into the agenda of the Company's General Shareholders Meeting is not within its powers pursuant to the Federal Joint-Stock Company

Law and the Company's Charter and/or does not otherwise comply with the requirements of the Federal Joint-Stock Company Law and other regulatory acts of the Russian Federation.

15.20. The decision (with explanation) of the Company's Board of Directors on its refusal to include a proposed matter into the agenda of the General Shareholders Meeting or to include a candidate into the list of candidates for election to the relevant Company's body shall be sent to the Shareholder(s) who submitted the matter or nominated the candidate within 3 (three) days after the date of such decision.

15.21. The Company's Board of Directors shall have no right to modify the wording of the matters proposed to be included into the agenda of the General Shareholders Meeting or to the wording of resolutions on such matters.

15.22. In addition to the matters proposed by Shareholders for inclusion into the agenda of the General Shareholders Meeting, and in case no such proposals are made, or in case of absence or inadequate number of candidates nominated by the Shareholders for election to the Company's bodies, the Company's Board of Directors shall have the right to include matters into the agenda of the General Shareholders Meeting or to include candidates into the list of the candidates at its own discretion.

Extraordinary General Shareholders Meeting

15.23. An extraordinary General Shareholders Meeting shall be conducted pursuant to a decision of the Company's Board of Directors on the basis of its own initiative, or upon demand of the Company's Audit Commission, Company's Auditor, or Shareholder(s) which own at least 10 percent of the Company's voting shares on the date such demand is made.

The extraordinary General Shareholders Meeting demanded by the Company's Audit Commission, Company's Auditor, or Shareholder(s) which own at least 10 percent of the Company's voting shares shall be convened by the Company's Board of Directors.

15.24. Within 5 days after presentation of a demand by the Company's Audit Commission, Company's Auditor, or Shareholder(s) which own at least 10 percent of the Company's voting shares to convene an extraordinary General Shareholders Meeting, the Company's Board of Directors must make a decision to either convene or refuse to convene such extraordinary General Shareholders Meeting.

A decision by the Company's Board of Directors to convene an extraordinary General Shareholders Meeting, or the decision (with explanation) to refuse to convene such a meeting, shall be sent to the persons who demanded its convening not later than 3 days after such decision was made.

A decision to refuse to convene an extraordinary General Shareholders Meeting pursuant to a demand by the Company's Audit Commission, Company's Auditor or Shareholder(s) which own at least 10 percent of the Company's voting shares may only be made on the grounds specified in clause 15.19. of this Charter.

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

15.25. An extraordinary General Shareholders Meeting shall be conducted within the period specified by the Federal Joint-Stock Company Law.

15.26. In the event the Company's Board of Directors does not make a decision to convene an extraordinary General Shareholders Meeting by the deadline specified in the Federal Joint-Stock Company Law or makes a decision to refuse to convene such a Meeting, the extraordinary General Shareholders Meeting may be convened by the bodies or persons who demanded that it be convened.

In such a case, the bodies or persons convening an extraordinary General

Shareholders Meeting shall have the powers provided by the Federal Joint-Stock Company Law necessary to convene and conduct the General Shareholders Meeting.

In this case, the expenses for preparing and conducting the General Shareholders Meeting may be reimbursed at the Company's expense pursuant to a decision of the General Shareholders Meeting.

Quorum for the General Shareholders Meeting

15.27. The General Shareholders Meeting shall be authorized to act (has a quorum), if the Shareholders having in the aggregate more than half of the votes represented by the voting shares of the Company are participating in it.

Shareholders which registered for participation in the General Shareholders Meeting and Shareholders whose ballots are received at least two days prior to the date of the General Shareholders Meeting shall be considered to have participated in the General Shareholders Meeting.

Shareholders whose ballots are received before the deadline for receiving ballots shall be considered to have participated in the General Shareholders Meeting conducted in the form of an absentee voting.

15.28. In the absence of a quorum for conducting the annual General Shareholders Meeting, a rescheduled General Shareholders Meeting with the same agenda shall be conducted. In the absence of a quorum for conducting an extraordinary General Shareholders Meeting, a rescheduled General Shareholders Meeting with the same agenda may be conducted.

A rescheduled General Shareholders Meeting shall be authorized to act (has a quorum), if the Shareholders having in the aggregate more than 30 percent of the votes represented by the voting shares of the Company are participating in it.

Voting Ballots

15.29. Voting on the agenda of the General Shareholders Meeting shall be carried out using voting ballots.

15.30 In connection with a General Shareholders Meeting (annual and extraordinary) voting ballots shall be sent to every person on the list of persons entitled to participate in the General Meeting by registered mail or personally delivered to each such person against confirmation of receipt, at least 20 days prior to the date of the General Shareholders Meeting.

15.31 In connection with a General Shareholders Meeting, except for a General Shareholders Meeting conducted by means of absentee voting, persons on the list of persons entitled to participate in the General Shareholders Meeting (or their representatives) shall have the right to take part in such Meeting personally (or through their representatives) or to send completed ballots to the Company. For the purposes of determining whether there is a quorum and summarizing the voting results, the Company shall take into account the votes represented by the voting ballots received by the Company at least 2 days prior to the date of the General Shareholders Meeting.

15.32. Voting ballots must contain the information specified in articles 49 and 50 of the Regulation on the General Shareholders Meeting.

Voting ballots may contain additional information as determined by the Board of Directors when approving the form and text of the voting ballots.

Counting Commission

15.33. The Counting Commission shall verify the authority of and register the persons participating in the General Shareholders Meeting, determine whether the General Shareholders Meeting has a quorum, clarify matters which arise in connection with the exercise by the Shareholders (or their representatives) of their rights to vote at the General Meeting, clarify the procedure for voting on matters put to vote, enforce the established voting procedures and the rights of the Shareholders participating in the voting, count votes and sum up the voting results, prepare the minutes on the voting results, send the voting ballots to the archive.

ARTICLE 16. THE COMPANY'S BOARD OF DIRECTORS

Powers of the Board of Directors

16.1. The Company's Board of Directors shall exercise overall supervision over the Company's activities, except for issues which pursuant to the federal laws and this Charter are within the powers of the General Shareholders Meeting.

16.2. The following matters are within the powers of the Company's Board of Directors:

- 1) determining the priorities of the Company's activities;
- 2) preliminary approval of the Company's annual report;
- 3) convening annual and extraordinary General Shareholders Meetings, except for cases specified in clause 15.26. of this Charter;
- 4) approving the agenda of the General Shareholders Meeting;
- 5) determining the date for compiling the list of persons entitled to participate in the General Shareholders Meeting, and other issues referred to the powers of the Company's Board of Directors pursuant to the provisions of chapter VII of the Federal Joint-Stock Company Law related to preparing for and conducting the General Shareholders Meeting;
- 6) submitting the matters specified in sub-clauses 2, 6-8, 12, and 17-24 of clause 15.2. of this Charter for resolution by the General Shareholders Meeting;
- 7) increasing the Company's charter capital by issuing additional shares within the number and categories (types) of the authorized shares at the expense of the assets of the Company, when additional shares are distributed among the Shareholders;
- 8) increasing the Company's charter capital by issuing additional common shares within the number of the authorized shares of this category (type) by open subscription in the amount constituting 25 percent or less of the Company's outstanding common shares;
- 9) increasing the Company's charter capital by issuing additional preferred shares within the number of the authorized shares of this category (type) by open subscription;
- 10) formation of the executive bodies and early termination of their powers;
- 11) approval of the terms and conditions of the contract with the General Director and the Management Board members;
- 12) appointment of the Company's Corporate Secretary;
- 13) preliminary approval of a contract on the transfer of powers of the Company's sole executive body to a commercial organization (management company) or an individual entrepreneur (manager);
- 14) issuance of bonds which are not convertible into shares, and other securities which are not convertible into shares;

- 15) issuance of bonds convertible into preferred shares, and other securities convertible into preferred shares by open subscription;
- 16) issuance by open subscription of securities convertible into common shares constituting 25 percent or less of the outstanding common shares;
- 17) passing a resolution on placement of shares of a certain category (type) by converting into them of convertible shares of a different category (type);
- 18) approving a decision on issuance of securities, the prospectus, the report on the results of the issuance, and making amendments thereto;
- 19) determining the price (monetary value) of assets, and the price of placement and redemption of securities in cases set forth in the Federal Joint-Stock Company Law;
- 20) acquisition of the outstanding Company's shares, bonds and other securities in cases set forth in the Federal Joint-Stock Company Law;
- 21) making recommendations to the General Shareholders Meeting on the amount of remuneration and compensation to the members of the Company's Audit Commission, and determining the fees for the services of the auditor;
- 22) making recommendations to the General Shareholders Meeting on the amount of dividends on shares and the procedure for their payment;
- 23) making recommendations to the General Shareholders Meeting on the procedure for distribution of the Company's profits and losses for the fiscal year;
- 24) use of the reserve and other funds of the Company;
- 25) approving the procedure for formation and operation of the committees of the Board of Directors;
- 26) approving the procedures of internal control over the Company's financial and business activities;
- 27) approving the Company's internal procedures on risk management, enforcing their observance, analyzing the effectiveness of such procedures and perfecting them;
- 28) approving the internal documents of the Company, except for internal documents governing the activities of the Company's bodies which require approval of the General Meeting, and other internal documents of the Company which pursuant to the Charter require approval of the Company's sole executive body;
- 29) creation and liquidation of branches and representative offices of the Company, approving regulations on branches and representative offices, making amendments thereto, appointing the heads of branches and representative offices and terminating their powers;
- 30) making amendments to the Company's Charter in connection with creation of branches, opening representative offices of the Company and liquidation thereof;
- 31) approving major transactions in cases set forth in article 21 of the Company's Charter;
- 32) approving the transactions set forth in article 22 of the Company's Charter;
- 33) approval of the Company's registrar and the terms and conditions of the contract with the registrar, and termination of the contract with the registrar;
- 34) other matters set forth in the Federal Joint-Stock Company Law and the Company's Charter.

16.3. Matters referred to the authority of the Company's Board of Directors may not be delegated to the Company's executive authority.

Members and Election of the Board of Directors

16.4. Members of Company's Board of Directors shall be elected by the General

Shareholders Meeting to serve until the next annual General Shareholders Meeting.

If the annual General Shareholders Meeting was not conducted within the period specified by clause 15.1. of this Charter, the powers of the Company's Board of Directors shall terminate, except for the powers to prepare, convene and conduct the annual General Shareholders Meeting.

16.5. A member of the Company's Board of Directors may not be a shareholder of the Company. Only a natural person can be a member of the Company's Board of Directors.

16.6. The General Shareholders Meeting shall elect at least 7 (seven) members to the Board of Directors by cumulative voting. For the purposes of cumulative voting the number of votes held by each shareholder shall be multiplied by the number of persons to be elected to the Company's Board of Directors, and the shareholder may cast all such votes for one candidate or distribute them among two or more candidates.

The candidates who have received the greatest number of votes shall be considered elected to the Board of Directors.

16.7. A resolution by the General Shareholders Meeting on early termination of the authority of the Board of Directors can be passed only with regard to all members of Company's Board of Directors.

16.8. In case of early termination of the authority of the Board of Directors, the members of the Board of Directors shall serve until the election (re-election) of a new Board of Directors by the next annual General Meeting.

16.9. In case the number of members of the Company's Board of Directors becomes less than the number which constitutes a quorum, as specified in this Charter, for conducting meetings of the Board of Directors, the Company's Board of Directors shall be obligated to pass a resolution to conduct an extraordinary General Shareholders Meeting for election of a new Board of Directors for the Company. The remaining members of Company's Board of Directors shall only have the right to pass a resolution to convene such extraordinary General Shareholders Meeting.

16.10. The Board of Directors may have three categories of directors - executive, non-executive and independent directors.

16.11. A member of the Board of Directors shall be independent if such member:

- is not an officer of another company in which any of the Company's officers is a member of the compensation committee of the Board of that company;
- is not and has not been an officer or an employee of the Company for 3 years preceding such director's election;
- is not an officer or an employee of the Company's affiliates;
- is not an affiliate of the Company's affiliates;
- is not an officer or an employee of the Company's partner or contractor whose aggregate transactions with the Company exceed 5% of the total sales of the Company and its affiliates;
- is not an affiliate of the Company's partner or contractor whose aggregate transactions with the Company exceed 5% of the total sales of the Company and its affiliates;
- does not receive any income from the Company, except for remuneration for participation in the Board and for consulting services rendered to the Company beyond the scope of his/her obligations as a Board member in the amount not to exceed US\$100,000;
- is not a holder of more than 2 percent of the Company's voting shares;
- is not a holder of more than 5 percent of the Company's bonds or other debentures;
- is not a spouse, father, mother, sister or half-sister, brother or half-brother, son,

- daughter, adoptive parent or adoptee of an officer of the Company;
- is not a representative of the government;
 - is not an officer of or an employee of the shareholder(s) which nominated such director to the Board, or of their affiliated parties, and does not receive any income or any other form of remuneration from the shareholder(s) and/or their affiliated parties in the amount in excess of US\$100,000.

The Board of Directors shall include at least 3 independent directors, provided that this number is equal to at least one fourth of the total number of directors.

A director who has served on the Company's Board of Directors for five years as an independent director may not be considered independent upon expiration of such 5-year period.

If after the election of an independent director circumstances arise as a result of which such independent director ceases to be independent, such director shall notify the Board of such circumstances in writing. Upon receipt of such notice or otherwise becoming aware of such circumstances, the Board shall inform the Company's shareholders thereof, and, if necessary, may convene an extraordinary general shareholders meeting to elect new Board members.

The Company shall disclose information about its independent directors who serve on the Board of Directors in its annual report.

A non-executive director is the director who is not at the same time the sole executive body and/or a member of the collegial executive body of the Company.

An executive director is the director who is simultaneously the sole executive body and/or a member of the collegial executive body of the Company.

16.12. The chairman of the Company's Board of Directors shall be elected by the members of Board of Directors from amongst their number by a majority vote of all members of the Board of Directors, without taking into account the votes of resigned members of the Company's Board of Directors.

The authority, functions and procedural guidelines of the Chairman shall be set forth in the Regulation on the Board of Directors.

Requirements to the Members of the Board of Directors

16.13. Requirements to the members of the Board of Directors:

- any legally competent natural person who has no previous criminal convictions, including convictions for economic crimes, may be a member of the Board of Directors;
- a person who is a stakeholder, General Director (manager), member of a management body or employee of a legal entity which competes with the Company may not be a member of the Company's Board of Directors.

Meetings of the Board of Directors

16.14. A meeting of the Board of Directors may be convened by the Chairman of the Board of Directors on his own initiative, or upon the demand of a member of the Board of Directors, the Audit Commission or the Auditor, or the executive body of the Company, to consider any matters within the powers of the Board of Directors, and upon demand of a Shareholder(s) which own 5 (Five) percent or more of the Company's voting shares as of the date of the demand, to consider only one of the following matters: determining the priorities of the Company's activities; submission to the General Shareholders Meeting of matters

pertaining to reorganization or liquidation of the Company, split or consolidation of shares.

16.15. For the purposes of determining the presence of a quorum and the results of voting on matters on the agenda, a written vote of a member of Company's Board of Directors who is absent from the meeting shall be taken into account in the manner specified in the Regulation on the Board of Directors.

16.16. The meeting of the Board of Directors shall have a quorum if at least half of all members of the Board of Directors are present or have submitted their written votes, except for matters which require a greater number of votes pursuant to the Federal Joint-Stock Company Law and the Company's Charter.

16.17. A decision of the Board of Directors may be made by absentee voting. The procedure for convening and conducting meetings of the Company's Board of Directors, and the procedure for making decisions by absentee voting are set forth in the Regulation on the Board of Directors.

16.18. A decision of the Board of Directors made by absentee voting shall be considered valid if at least half of all members of the Company's Board of Directors participated in the absentee voting, except for matters which require a greater number of votes pursuant to the Federal Joint-Stock Company Law and the Company's Charter.

16.19. Decisions at a meeting of the Company's Board of Directors shall be made by a majority vote of the members of the Company's Board of Directors participating in the meeting, and of the absent members of the Board of Directors who have cast their votes in writing, unless otherwise provided by the Federal Joint-Stock Company Law and Company's Charter.

A resolution of the Board of Directors made by absentee voting shall be deemed passed if more than half of the members of the Board of Directors participating by absentee voting have voted in favor of such resolution, unless otherwise provided by the Federal Joint-Stock Company Law and the Company's Charter.

16.20. Each member of Company's Board of Directors shall have one vote for the purposes of decision-making at a meeting of the Company's Board of Directors.

A member of the Company's Board of Directors may not delegate his/her right to vote to another person, including to another member of the Company's Board of Directors.

16.21. Minutes shall be kept at meetings of the Board of Directors. Minutes of a meeting of the Board of Directors shall be prepared not later than 3 days after the meeting or 3 days after the deadline for submission of the voting ballots in case of absentee voting.

16.22. During the term of their office the members of the Board of Directors may receive remuneration and/or reimbursement for expenses incurred by them in connection with performance their functions as members of the Board of Directors.

The amount and manner of payment of remuneration shall be determined by the Regulation on Remuneration of the Board Members approved by the General Shareholders Meeting.

ARTICLE 17. EXECUTIVE BODIES OF THE COMPANY

Management of the Company's current activities shall be carried out by the General Director (the sole executive body of the Company) and the Management Board (the collegial executive body of the Company). The General Director and the Management Board shall be accountable to the Company's Board of Directors and to the General Shareholders Meeting.

Sole Executive Body of the Company

17.1. The General Director is the sole executive body of the Company in charge of

supervision of all day-to-day operations of the Company.

17.2. All matters relating to the management of the Company's current activities shall be within the powers of the General Director, except for those matters which are within the powers of the General Shareholders Meeting, the Board of Directors and the Management Board.

The General Director shall arrange for implementation of the decisions of the General Shareholders Meeting, the Board of Directors and the Management Board.

17.3. The General Director shall act on behalf of the Company, without any power of attorney, within the limits of the powers set forth in this Charter, including:

- exercise management of the Company's current activities;
- have the right of the first signature of financial documents;
- dispose of the Company's assets to support its current activities;
- represent the Company, both within and outside the Russian Federation;
- approve the staff members, conclude employment contracts with the Company's employees, provide incentives to and impose sanctions upon the employees;
- conclude transactions on behalf of the Company;
- issue powers of attorney on behalf of the Company;
- open the Company's bank accounts;
- organize maintaining of the Company's books and records;
- issue orders and give directives binding upon all employees of the Company;
- perform other functions necessary to achieve the goals of the Company's activities and ensure its normal operation in accordance with the applicable laws and the Company's Charter, except for functions which pursuant to the applicable laws of the Russian Federation and the Company's Charter must be performed by the other management bodies of the Company;

17.4. The rights and duties, terms and amount of remuneration payable for the services of the General Director shall be determined in a contract concluded between the General Director and the Company. On behalf of the Company, the contract shall be signed by the chairman of the Board of Directors or a person authorized by the Company's Board of Directors.

The vote of the General Director shall not be taken into account for the purposes of approval of the terms and conditions of the contract with him/her.

17.5. The General Director shall be appointed by the Board of Directors to serve for a term of 1 (one) year.

17.6. A person who is a stakeholder, an officer or another employee of a legal entity which competes with the Company may not be appointed General Director.

17.7. The person fulfilling the functions of the General Director may not simultaneously hold offices in the management bodies of other entities unless specifically authorized by the Company's Board of Directors.

Collegial Executive Body of the Company

17.8. The Company's Management Board is a collegial executive body of the Company in charge of supervision of the day-to-day operations of the Company.

17.9. The following matters shall be within the authority of the Management Board:

- 1) organization of development of the priority areas of the Company's activities;

- 2) determination of the business policies, approval of all kinds of strategic plans, including plans of technical upgrade and business plans for development of the Company and its operating units;
- 3) approval of the long-term (covering the period of one year or more) budget of the Company and its operating units and control over performance of the budgets of the Company's operating units on a quarterly basis;
- 4) organization of preparation of the annual reports;
- 5) prior approval of the transactions to the amount in excess of US\$20,000,000 (twenty million US Dollars);
- 6) approval of the financing strategy;
- 7) approval of the internal documents of the Company relating to the matters which fall within the competence of the Company's executive bodies;
- 8) formation of commissions and committees under the auspices of the Management Board, appointment of the members of such commissions and committees and early termination of their powers;
- 9) allocation of a portion of the profit which the general shareholders meeting resolved to use for the purposes of the Company's development;
- 10) development of recommendations for the Board of Directors concerning the use of the reserve fund and other funds of the Company;
- 11) other current business matters of the Company submitted by the General Director for consideration of the Management Board.

Members and Procedure for Formation of the Management Board

17.10. Election of the Management Board members and early termination of the powers of the Management Board members shall be effected by the Company's Board of Directors.

The Management Board shall have at least 5 (five) and no more than 9 (nine) members.

The number of the Management Board members shall be determined by the Company's Board of Directors upon recommendation of the General Director.

17.11. Candidates to the Management Board shall be nominated by the General Director.

The Board of Directors may decline a nomination, however, it may not elect a Management Board member on its own initiative if he/she was not nominated by the General Director.

The candidate shall be deemed to have been elected to the Management Board if the majority of the members of the Board of Directors attending the meeting voted for him.

17.12. Each Management Board member shall enter into an agreement for a term of 1 (one) year which shall be signed on behalf of the Company by the Chairman of the Board of Directors or a person authorized by the Board of Directors.

17.13. The Board of Directors may at any time terminate the powers of any Management Board member (on the initiative of the General Director or a member of the Board of Directors). On the basis of such decision the agreement with the Management Board member shall be terminated before expiration of its term. In such case the General Director may propose for approval by the next Board of Directors meeting a new candidate to the Management Board.

A Management Board member may resign by tendering pursuant to the requirements of the labor laws a written resignation letter to the Chairman of the Management Board of the Company.

Termination of the powers of a Management Board member shall not trigger his/her dismissal as an employee of the Company.

Chairman of the Management Board

17.14. The General Director of the Company shall perform the functions of the Chairman of the Management Board.

In case of absence of the Chairman of the Management Board his duties shall be performed by one of the Management Board members pursuant to the decision of the Management Board.

17.15. The Chairman of the Management Board organizes the work of the Management Board, distributes duties among the Management Board members, ensures that the Management Board adopt reasonable and efficient decisions, convenes the meetings of the Management Board and chairs the meetings, ensures that the minutes of the meetings are kept.

17.16. The Chairman of the Management Board shall present the position of the Management Board at the meetings of the Board of Directors and the general shareholders meetings of the Company.

17.17. The Chairman of the Management Board appoints the Secretary of the Management Board. Any individual who is not a Management Board member may serve as a Secretary of the Management Board.

Meetings of the Management Board

17.18. The Management Board meetings shall be convened by the Chairman of the Management Board or his/her substitute.

The Management Board meetings shall be conducted pursuant to the plan and as necessary (unscheduled meetings). An annual meeting shall be conducted on the basis of the results of the fiscal year.

17.19. The Management Board meetings shall be convened by the Chairman of the Management Board on his/her own initiative or upon demand of a Management Board member, a member of the Board of Directors, a member of the Audit Commission or the Company's auditor.

17.20. The Management Board meeting shall be conducted in the form of joint attendance of its members or in the form of absentee voting (by ballot).

The Management Board may make a decision by absentee voting on the initiative of the Chairman of the Management Board in special cases requiring expedient review of the matter. The annual meeting of the Management Board may not be conducted in the form of the absentee voting.

17.21. The Management Board meeting shall quorate if at least 2/3 of its members participate in the meeting.

17.22. If the number of the Management Board members falls below the number which constitutes the quorum, the Company's Board of Directors shall make a decision to elect new member(s) of the Management Board.

17.23. All decisions shall be made by a simple majority vote of the Management Board members present at the meeting. In case of absentee voting the decisions shall be made by at least 2/3 of the votes of the existing Management Board members.

In case of a tie, the vote of the Chairman of the Management Board shall be decisive.

The chairman of the meeting shall be the last to vote.

17.24. For the purposes of voting at the Management Board meetings each Management Board member shall have one vote. A Management Board member may not transfer his/her vote to another member.

17.25. Minutes shall be kept at the Management Board meetings. Keeping Management Board minutes shall be arranged for by the Secretary of the Management Board.

The minutes of the meeting shall be signed by the Chairman and Secretary of the Management Board.

The minutes of the Management Board meeting shall be prepared within 3 (three) days after the date of the meeting.

17.26. The minutes shall include the following:

- full name of the Company;
- date, time and place of the Management Board meeting;
- list of the Management Board members having attended the meeting with a note indicating the presence of a quorum;
- list of invitees;
- meeting agenda;
- matters put to voting and the voting results;
- summary of the presentations made by the attendees;
- decisions adopted by the Management Board.

The minutes may also contain other information.

17.27. Copies of the minutes shall be sent to the Management Board members.

The minutes of the Management Board meeting may be provided to the members of the Company's Board of Directors, the members of the Company's audit commission, the Company's auditor upon their demand.

The minutes of the Management Board meetings shall be made available to the shareholder(s) owning in the aggregate at least 25 percent of the Company's voting stock.

17.28. Other matters of the Management Board's activities, the terms, procedure of convocation and conducting the Management Board meetings and the decision-making procedures of the Management Board meetings and control over performance of its decisions shall be governed by the Regulation on the Management Board approved by the General Shareholders Meeting.

ARTICLE 18. LIABILITY OF THE MEMBERS OF THE BOARD OF DIRECTORS, THE GENERAL DIRECTOR, THE MANAGEMENT COMPANY OR THE MANAGER

18.1. Members of the Company's Board of Directors, the sole executive body (General Director), temporary sole executive body, members of the collegial executive body (Management Board) or a management company or a manager in connection with the exercise of their rights and performance of their duties must act in the interests of the Company, and must act reasonably and in good faith when exercising their rights and performing their obligations towards the Company.

Members of Company's Board of Directors, sole executive body (General Director), temporary sole executive body, members of the collegial executive body (Management Board) or a management company or a manager shall be considered to be acting reasonably and in good faith, if they are not personally interested in a particular decision and have carefully reviewed all the information necessary to make a decision; and other surrounding circumstances must evidence that they acted exclusively in the interests of the Company.

18.2. Members of Company's Board of Directors, sole executive body (General

Director), temporary sole executive body, members of the collegial executive body (Management Board) or a management company or a manager shall be liable to the Company for losses caused to the Company by their wrongful acts (or their failure to act), unless other grounds and scope of liability are established by the federal laws.

Members of Company's Board of Directors and members of the collegial executive body (Management Board) who have voted against a decision which resulted in losses to the Company, or who did not take part in the voting, shall not be liable for such losses.

18.3. The Company shall take measures to terminate the authority of those members of the Board of Directors, the sole executive body (General Director) and members of the collegial executive body (Management Board) who are guilty of causing losses, and to hold them liable for breach of their obligations to the Company.

18.4. If several persons bear liability pursuant to the provisions hereof their liability to the Company shall be joint and several.

18.5. The Company shall maintain insurance of the directors' liability.

18.6. The Company or Shareholder(s) owning, in the aggregate, not less than 1 percent of the Company's common shares, shall have the right to file a lawsuit against members of Company's Board of Directors, sole executive body (General Director), temporary sole executive body, or a management company or a manager seeking compensation of damages caused to the Company in cases specified in clause 18.2. of this Charter.

18.7. Members of the Board of Directors, the General Director and members of the collegial executive body (Management Board) shall refrain from actions which will or may result in a conflict of interest between them and the Company. In case such conflict of interests arises they are obligated to notify the Company's Board of Directors and/or the Management Board thereof.

18.8. Members of the Company's Board of Directors, the sole executive body (General Director), temporary sole executive body, members of the collegial executive body (Management Board) or a management company or a manager and their officers shall disclose the information on their ownership of the Company's securities and sale and/or purchase of the Company's securities.

ARTICLE 19. THE COMPANY'S AUDIT COMMISSION

19.1. The procedures for the activities of the Audit Commission shall be governed by internal Company's documents approved by the General Shareholders Meeting.

19.2. The Company's Audit Commission shall consist of at least 3 (three) persons and shall be elected by the General Shareholders Meeting for a term until the next annual General Shareholders Meeting.

Shares owned by the members of the Board of Directors, the General Director or the Management Board of the Company may not participate in the voting on the election of members of the Audit Commission.

If the annual General Shareholders Meeting has not elected members of the Audit Commission in a number constituting a quorum for conducting its meetings, as specified in this Charter, then the authority of the existing members of the Audit Commission shall be extended until the Audit Commission is elected.

In case the number of Audit Commission members becomes less than half the number specified by the Charter, the Board of Directors shall be obligated to convene an extraordinary General Shareholders Meeting to elect the Audit Commission. The remaining Audit Commission members shall perform their functions until the new Audit Commission

has been elected.

19.3. The authority of individual members or of the entire Audit Commission can be terminated early by a resolution of the General Shareholders Meeting.

The authority of a member of the Audit Commission ceases automatically if he/she is elected to the Board of Directors, becomes a member of the Management Board, the liquidation commission or is appointed General Director.

19.4. A shareholder of the Company or any person proposed by a shareholder may be the member of the Audit Commission. The members of the Company's Audit Commission may not simultaneously be members of the Company's Board of Directors or hold other positions in the Company's management bodies.

19.5. The powers of the Audit Commission include:

- auditing the financial records of the Company, accounting reports, opinions of the property inventory committee, and comparison of such records with the underlying accounting data;

- verifying the correct performance of the procedure for distribution of Company profits for the fiscal year approved by the General Shareholders Meeting;

- analyzing the financial condition of the Company, its solvency, the liquidity of its assets, debt to equity ratio and net assets to charter capital ratio; identifying ways to improve the economic condition of the Company, and developing recommendations for the management bodies of the Company;

- verifying the timeliness of payments to suppliers of goods and services, payments to budgetary and non-budgetary funds, calculation and payment of dividends, payment of interest on bonds, and repayment of other obligations;

- confirming the accuracy of data contained in the Company's annual report, annual financial statement, distribution of profits, and reports submitted to tax and statistical authorities and governmental authorities;

- verifying the authority of the sole executive body to enter into agreements on behalf of the Company;

- verifying the validity of decisions made by the Board of Directors, the sole executive body, the collegial executive body, and their consistency with the Company's Charter and resolutions of the General Shareholders Meeting;

- vetting the resolutions of the General Meeting for conformity with the law and the Company's Charter.

The Audit Commission shall have the right to:

- demand personal explanations from members of the Board of Directors, and employees of the Company, including its officers, on matters which fall within the jurisdiction of the Audit Commission;

- raise issues with the management bodies concerning liability of the Company's employees, including its officers for violation of the Charter, regulations, or rules and regulations adopted by the Company;

- hire experts on a contractual basis who are not salaried employees of the Company.

19.6. An inspection (audit) of the Company's financial and business activities shall be performed on the basis of the results of the Company's activities for the year, and at any time on the initiative of the Company's Audit Commission, by a resolution of the General Shareholders Meeting or Company's Board of Directors or on demand of a Company Shareholder or Shareholders owning in the aggregate at least 10 percent of the Company's voting shares.

19.7. Upon demand of the Company's Audit Commission, persons occupying positions in the management bodies of the Company shall be obligated to provide documents

relating to the financial and business activities of the Company.

Such documents must be provided within three days from the date on which they were requested in writing.

19.8. The Company's Audit Commission has the right to demand convocation of an extraordinary General Shareholders Meeting in the manner specified in clauses 15.23.-15.26. of this Charter.

19.9. The Audit Commission shall have the right to demand convocation of a meeting of the Board of Directors. The Chairman of the Board of Directors shall have no right to refuse the demand of the Audit Commission to convene a meeting of the Board of Directors.

19.10. A quorum for conducting the Audit Commission meetings shall consist of not less than half the members of the Company's Audit Commission.

The meetings of the Company's Audit Commission shall be conducted in the form of the joint presence of the Commission members to discuss the agenda items and decide matters which have been put to vote.

For the purposes of decision making, each member of the Commission shall have one vote. A member of the Company's Audit Commission may not transfer the right to vote to another person, including to another member of the Audit Commission.

Decisions of the Audit Commission are made, and opinions approved, by a majority vote by roll call or on a show of hands of those members present at the Audit Commission meeting. In case of a tie vote, the chairman of the Audit Commission shall have a decisive vote.

19.11. The members of the Company's Audit Commission, during the period of performance of their duties, may receive remuneration and/or reimbursement for expenses related to the performance of their duties. The amount of such remuneration and reimbursement shall be established by a resolution of the General Shareholders Meeting based upon the recommendation of the Company's Board of Directors.

ARTICLE 20. THE COMPANY'S AUDITOR

20.1. The Company shall be obligated, for the purposes of having the correctness of its annual report audit and confirmed, to annually hire an Auditor who does not have a financial interest in the Company and its Shareholders.

20.2. The Company's Auditor (an individual or an auditing firm) shall, on the basis of a contract, perform an audit of the financial and business activities of the Company in accordance with the laws of the Russian Federation.

20.3. The General Shareholders Meeting shall approve the Company's Auditor. The fees for the services of the Auditor shall be determined by the Board of Directors.

20.4. Based on the results of the audit of the Company's financial and business activities, the Company's Auditor shall render an opinion which shall contain the following:

- confirmation of the accuracy of the data contained in the Company's reports and other financial documents;

- facts of violation of the accounting standards and financial statements rules established by the laws of the Russian Federation, and violation of the laws of the Russian Federation in connection with the Company's financial and business activities.

20.5. The Company's internal audit shall be performed by the Audit Commission.

20.6. An audit of the Company's activities shall be conducted by the Company's Auditor at any time upon the demand of Shareholders owning, in the aggregate, 10 percent or more of the Company's voting shares as of the date of such demand.

20.7. Shareholders initiating an audit shall send a written demand to the Board of

Directors.

The demand shall contain:

- clearly stated reasons for the demand;
- surname, first name and patronymic of the shareholder;
- information on the shares they own, including number and category (type);
- written guarantees of payment for the auditor services or written confirmation of payment for the audit services.

The demand must be signed by the Shareholder or its/his/her representative. If the demand is signed by a representative, a power of attorney shall be attached.

20.8. The demand of the initiators to conduct an audit shall be sent by registered mail to the Company's address with a return receipt requested, or shall be personally delivered to the office of the Company.

The date of the demand shall be defined as the date on which the Company receives the demand.

20.9. Within 10 working days after the date on which the demand is made, the Board of Directors must make a decision to conduct an audit of the Company's activities and on the fees for the services of the auditor, or shall formulate a justified refusal to conduct the audit.

20.10. The Board of Directors shall reject the demand to conduct an audit of the Company's activities in the following cases:

- The Shareholders presenting the demand are not the owners, as of the date of the demand, of the necessary number of voting shares;
- The demand has been initiated by persons who are not registered in the shareholder register and/or do not have representative authority from appropriate Shareholders;
- The demand contains incomplete information;
- The Shareholders initiating the audit have not paid for it to be conducted or have not provided the appropriate payment guarantees.

20.11. The report of the Company's Auditor shall be sent by registered insured mail to the initiators of the audit.

20.12. By a decision of the General Shareholders Meeting, the expenses for conducting the audit may be borne by the Company, with appropriate reimbursement paid to its initiators.

ARTICLE 21. MAJOR TRANSACTIONS

21.1. A major transaction is a transaction (including loan, credit, pledge and guarantee) or several interconnected transactions involving acquisition, disposal or proposed disposal by the Company, directly or indirectly, of an asset having a value of 25 percent or more of the book value of the Company's assets, as determined on the basis of the latest accounting statements, except for transactions concluded in the ordinary course of business, transactions involving placement of the Company's common shares by a subscription, and transactions involving placement of securities convertible into the Company's common shares.

21.2. The value of an asset which is the subject of a major transaction, shall be determined by the Company's Board of Directors pursuant to the Federal Joint-Stock Company Law.

21.3. A major transaction requires approval of the Company's Board of Directors or the General Shareholders Meeting in accordance with the Federal Joint-Stock Company Law and this article of the Charter.

21.4. A resolution to approve a major transaction, the subject of which is an asset the value of which ranges from 25 to 50 percent of the book value of the Company's assets as of the date on which a decision is made to enter into such transaction shall be passed by a unanimous vote of all members of the Company's Board of Directors, without taking into account the votes of resigned members of the Company's Board of Directors.

If the Board of Directors does not unanimously approve a major transaction, the matter may be submitted for decision by the General Shareholders Meeting. In this case, decision to approve the major transaction shall be made by the General Shareholders Meeting by a majority vote of Shareholders owning voting shares participating in the General Shareholders Meeting.

21.5. A decision to approve a major transaction, the subject of which is an asset having a value of more than 50 percent of the book value of the Company's assets as of the date on which a decision is made to conclude such transaction shall be made by the General Shareholders Meeting by a three-fourths majority vote of Shareholders owning voting shares participating in the General Shareholders Meeting.

ARTICLE 22. INTEREST IN THE COMPANY'S CONCLUSION OF A TRANSACTION

22.1 Transactions (including a loan, credit, pledge and guarantee) in which a member of Company's Board of Directors, a person performing the functions of a sole executive body of the Company, including a management company or manager, a member of the collegial executive body of the Company or a Shareholder which owns, together with affiliates, 20 percent or more of the Company's voting shares, and persons having the right to give instructions binding upon the Company are interested, shall be concluded by the Company in accordance with the provisions of this article.

Persons shall be recognized as having an interest in a transaction if they, their spouses, parents, children, brothers or half-brothers, sisters or half-sisters, adoptive parents or adoptees, and/or their affiliates:

- are a party to, a beneficiary of, an intermediary or an agent under the transaction;
- own (individually or jointly) 20 percent or more of the shares (interest, stake) of a legal entity which is a party to, a beneficiary of, an intermediary or an agent under the transaction;
- occupy a position in the management bodies of a legal entity which is a party to, a beneficiary of, an intermediary or an agent under the transaction, or a position in the management bodies of a management company of such legal entity.

22.2. An interested-party transaction requires approval of the Company's Board of Directors prior to its conclusion. The resolution to approve such a transaction shall be passed by the Company's Board of Directors by a majority vote of the independent directors who are not interested in such transaction. In case all members of the Company's Board of Directors are recognized as interested parties and/or are not independent directors, the transaction may be approved by a resolution of the General Shareholders Meeting passed in the manner specified in clause 22.4. of this Charter.

For the purposes of this article a member of the Board of Directors who meets the requirements of clause 3 of article 83 of the Federal Joint-Stock Company Law shall be recognized as an independent director.

22.3. For passage by the Company's Board of Directors and General Shareholders Meeting of a resolution to approve an interested-party transaction, the price of assets or services to be sold or acquired shall be determined by the Company's Board of Directors in

accordance with article 77 of the Federal Joint-Stock Company Law.

22.4. A resolution to approve an interested-party transaction shall be passed by the General Shareholders Meeting by a majority vote of all holders of the voting shares which are not interested in the transaction, in the following cases:

- If the subject of the transaction or several interconnected transactions is an asset whose value, pursuant to the Company's accounting records (proposed purchase price) constitutes 2 percent or more of the book value of the Company's assets as per the latest financial statements, except for the transactions specified in the third and fourth paragraphs of this clause;
- If a transaction or several interconnected transactions represent a placement by subscription or sale of shares constituting more than 2 percent of the outstanding common shares, and of common shares into which the outstanding convertible securities may be converted;
- If a transaction or several interconnected transactions represent a placement by subscription of convertible securities which can be converted into common shares constituting more than 2 percent of the outstanding common shares, and of common shares into which the outstanding convertible securities may be converted.

22.5. An interested-party transaction shall not require a resolution of the General Shareholders Meeting, as specified in clause 22.4. hereof, in cases where the terms of such transaction do not materially differ from the terms of similar transactions which were concluded between the Company and the interested party in the Company's ordinary course of business until the moment when the interested party was recognized as such. This exception shall apply only to those interested-party transactions which take place from the time an interested party is recognized as such until the next annual General Shareholders Meeting.

22.6. The resolution on approval of an interested-party transaction must indicate the parties, beneficiaries, price, subject of the transaction and its other material terms.

The General Shareholders Meeting may pass a resolution to approve a transaction between the Company and the interested party which may be concluded in the future in the Company's ordinary course of business. In such case, the resolution of the General Shareholders Meeting must indicate the maximum amount of such transaction. Such a resolution shall remain valid until the next annual General Shareholders Meeting.

22.7. If an interested-party transaction is also a major transaction involving acquisition or transfer of an asset by the Company, the provisions of article 22 hereof shall apply to the procedure for its conclusion.

ARTICLE 23. BOOKS AND ACCOUNTING OF THE COMPANY

23.1. The Company shall be obligated to maintain its accounting records and to prepare financial statements in the manner set forth in the Federal Joint-Stock Company Law and other regulatory acts of Russian Federation.

23.2. The Company's General Director shall be responsible for organization, condition and accuracy of the Company's accounting records, timely submission of the annual report and other financial statements to the appropriate bodies, and information on the Company's activities provided to the Shareholders, creditors and mass media, in accordance with the Federal Joint-Stock Company Law, other regulatory acts of the Russian Federation, and this Charter.

23.3. Accounting policies and organization of paperwork in the Company, including its branches and representative offices, shall be established by order of the General Director.

23.4. The fiscal year shall be January 1 through December 31.

23.5. The accuracy of the data in the annual report of the Company to the General Shareholders Meeting, and the annual financial statements, shall be confirmed by the Company's Audit Commission.

Before publication by the Company of such documents, the Company shall be obligated, for the purposes of the annual audit and confirmation of its annual financial statements, to hire an auditor who does not have a financial interests in the Company or its Shareholders.

23.6. The Company's annual report shall be subject to preliminary approval by the Board of Directors not later than 30 business days prior to the date of the annual General Shareholders Meeting.

ARTICLE 24. DOCUMENTS OF THE COMPANY

24.1. The Company shall be obligated to keep the following documents:

- foundation agreement of the Company;
- the Company's Charter, amendments made to the Charter and registered in the established manner, and the resolution on formation of the Company;
- the Company's state registration certificate;
- documents confirming the Company's rights to the property reflected on its balance sheet;
- internal documents of the Company;
- regulations on branches or representative offices of the Company;
- annual reports;
- accounting documents;
- financial statements;
- minutes of General Shareholders Meetings of the Company;
- minutes of meetings of the Company's Board of Directors;
- minutes of meetings of the Company's Management Board;
- minutes of meetings of the Company's Audit Commission;
- voting ballots, and powers of attorney (copies of powers of attorney) for participation in the General Shareholders Meeting;
- reports of independent appraisers;
- lists of affiliates of the Company;
- lists of persons entitled to participate in the General Shareholders Meeting, having the right to receive dividends, and other lists compiled by the Company for the exercise by Shareholders of their rights in accordance with the requirements of the Federal Joint-Stock Company Law;
- opinions of the Company's Audit Commission, the Company's Auditor, and the state and municipal financial monitoring agencies;
- prospectuses for issuance of securities, quarterly reports of the issuer, and other documents containing information to be published or otherwise disclosed in accordance with the Federal Joint-Stock Company Law and other the federal laws;
- other documents specified by the Company's Charter, internal documents of the Company, decisions of the General Shareholders Meeting, the Company's Board of Directors, and the Company's management bodies, and documents specified by applicable laws of the Russian Federation.

24.2. The Company shall keep the documents specified in clause 24.1. of this Charter

at the location of its executive body.

24.3. The Company, with a view to implementing state, social, economic and tax policy, shall be responsible for the preservation of its documents (administrative, financial and business, personnel-related etc.), and shall provide for the transfer to state storage of documents having scientific or historical value.

24.4. Upon reorganization and winding up of the Company, all documents (administrative, financial and business, personnel-related etc.) shall be transferred, in accordance with established rules, to its legal successor. In the absence of a legal successor, the documents to be permanently stored having scientific or historical value shall be transferred for state storage in an archive at the location of the Company. Transfer and organization of the documents shall be carried out by the staff and at the expense of the Company, in accordance with the requirements of the archival authorities.

ARTICLE 25. PROVISION OF INFORMATION TO SHAREHOLDERS

25.1. The Company shall be obligated to provide Shareholders with access to the documents specified in clause 24.1. of this Charter. Shareholders having, in the aggregate, not less than 25 percent of the Company's voting shares shall have the right of access to the Company's accounting documents and the minutes of the collegial executive body meetings.

25.2. Documents specified in clause 25.1. hereof shall be made available for review by the Company within 7 days from the date of the relevant demand at the premises of the Company's executive body. The Company shall be obligated, upon demand of persons having the right of access to the documents specified in clause 25.1. of this Charter, to provide them with copies of the indicated documents. The fee charged by the Company for providing such copies, may not exceed the cost of their preparation.

25.3. The list of information which the Company considers necessary to disclose in addition to the information required by the laws, and the procedures for its disclosure, shall be determined by the Regulation on Information Policy approved by the Company's Board of Directors.

ARTICLE 26. REORGANIZATION OF THE COMPANY

26.1. The Company may be voluntarily reorganized pursuant to a decision of the General Shareholders Meeting in the manner specified in the Federal Joint-Stock Company Law. Other grounds and procedures for the reorganization of the Company are set forth in the Civil Code of the Russian Federation and other the federal laws.

26.2. The Company may be reorganized in the form of a merger, consolidation, division, spin-off, or transformation in the manner specified in applicable laws of the Russian Federation.

26.3. The Company shall be considered reorganized, except for cases of reorganization in the form of a consolidation, from the moment of state registration of new legal entities.

In case of reorganization of the Company by merger into it of another Company, the acquiring company shall be considered to be reorganized from the moment the state registration authority makes a record in the unified state register of legal entities concerning winding up of merged company.

26.4. Upon reorganization of the Company, corresponding amendments shall be made to this Charter, and a transfer act or separation balance sheet shall be executed.

The transfer act or separation balance must contain provisions about legal succession

to all obligations of the Company with respect to all of its creditors and debtors.

The transfer act or separation balance sheet shall be approved by the General Shareholders Meeting by a majority vote of the owners of voting shares participating in the Meeting.

If the separation balance sheet or the transfer act do not identify the legal successor to the reorganized Company, the new legal entities shall have joint and several liability to their creditors for the obligations of the reorganized Company.

26.5. Not later than 30 calendar days after the date a decision is made about the Company's reorganization, and in the case of the Company's reorganization in the form of a merger or consolidation, not later than 30 days from the date a decision is made by the last of the participating companies to decide, the Company shall be obligated to give a written notice of such decision to its creditors and to publish announcement of such decision in a printed medium designated for publication of data on state registration of legal entities. The creditors of the Company, within 30 days from the date after such a notice was sent to them, or within 30 days from the date of publication of the notice that such a decision has been made, shall have the right to demand in writing the early termination or performance of the corresponding obligations of the Company and indemnification against their losses.

ARTICLE 27. LIQUIDATION OF THE COMPANY

27.1. The Company may be liquidated voluntarily in the manner specified in the Civil Code of the Russian Federation.

The Company may also be liquidated pursuant to a court decision on the grounds set forth in the Civil Code of the Russian Federation.

Liquidation of the Company results in its termination without transfer of its rights and responsibilities by way of legal succession to other persons.

27.2. In the case of voluntary liquidation of the Company, the Board of Directors of the liquidating Company shall submit the matter of the Company's liquidation and the appointment of a liquidation commission to the General Shareholders Meeting for approval.

The General Shareholders Meeting of the voluntarily liquidating Company shall make a decision on the Company's liquidation and on the appointment of a liquidation commission with the number of members equal to the number of members on the Board of Directors. Upon compulsory liquidation, the liquidation commission shall be appointed by the court (arbitration court), which shall determine the number of its members.

27.3. From the moment of appointment of the liquidation commission it shall be assigned to exercise the powers to manage the Company's affairs. The liquidation commission shall act in court on behalf of the Company being liquidated.

The liquidation commission shall bear, pursuant to the norms of the civil laws of the Russian Federation, liability for damages caused to the Company, its Shareholders, and third parties.

27.4. The liquidation commission shall publish in a printed medium designated for publication of data on state registration of legal entities, a notice of the Company's liquidation, and of the procedures and time limits for presentation of claims by its creditors. The time limit for presentation of claims by creditors may not be less than two months after the date of publication of the notice of the Company's liquidation.

27.5. If, at the moment of making a decision about liquidation, the Company has no obligations to creditors, its assets shall be distributed among the Shareholders in accordance with clause 27.11. of this Charter and the applicable laws.

27.6. The liquidation commission shall take measures to identify the Company's

creditors and to collect its receivables, and shall notify the creditors of the Company's liquidation in writing.

27.7. Upon expiration of the period for presentation of claims by the creditors, the liquidation commission shall compile an interim liquidation balance sheet, which shall contain information on the assets of the liquidating Company, claims presented by creditors, and the results of considering such claims.

The interim liquidation balance sheet shall be approved by the General Shareholders Meeting.

27.8. If the liquidating Company does not have sufficient funds to satisfy the claims of creditors, the liquidation commission shall sell other Company's assets at a public auction pursuant to the procedures established for enforcement of the court judgments.

27.9. Disbursements of money to the creditors of the liquidating Company shall be made by the liquidation commission in the order of priority specified in clause 1 of article 64 of the Civil Code of the Russian Federation pursuant to the interim liquidation balance sheet, starting from the day of its approval, with the exception of the fifth priority creditors payments to which shall be made after the expiration of one month from the date of approval of the interim liquidation balance sheet.

27.10. After completion of settlements with creditors, the liquidation commission shall compile a liquidation balance sheet to be approved by the General Shareholders Meeting.

27.11. Assets of the liquidating Company which remain after completion of settlements with all creditors shall be distributed by the liquidation commission among the Shareholders in the following order of priority:

- first, disbursements shall be made for shares which must be redeemed pursuant to article 12 of this Charter;
- second, disbursements shall be made for dividends accrued but unpaid on preferred shares, and for the liquidation value of preferred shares, as defined in the Company's Charter;
- third, distribution of assets of the liquidated Company shall be made among the holders of common shares and all types of preferred shares.

27.12. Liquidation of the Company shall be considered complete, and the Company shall be considered as having ceased to exist, from the moment the state registration body makes a record in the unified state register of legal entities.

ARTICLE 28. FINAL PROVISIONS

All matters which are not covered by this Charter shall be governed by the appropriate provisions of the applicable laws of the Russian Federation.

If the provisions of this Charter conflict with the norms of the applicable laws of the Russian Federation, the norms of the applicable laws of the Russian Federation shall apply.