

Joint Stock Company «Aeroflot - Russian Airlines»
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JOINT STOCK COMPANY
«AEROFLOT - RUSSIAN AIRLINES»
ARTICLES
(Edition #5)
Moscow 2003

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Article 1. General Provisions

The Joint Stock Company «Aeroflot - Russian Airlines», formerly named the Joint Stock Company «Aeroflot - Russian International Airlines», established in compliance with the Resolutions of the Government of the Russian Federation # 527 of 28 July 1992 «Measures of Organization of Air Communications of the Russian Federation», # 267 of 1 April 1993 «On the Joint Company Aeroflot - Russian International Airlines» and # 314 of 12 April 1994 «On Adoption of the Joint Stock Company «Aeroflot - Russian International Airlines» Charter». The above company was established as a result of reorganization of the «Aeroflot - Soviet Airlines», the Administration of the International Air Communications of the Civil Aviation named after Order of the Red Banner, International Commercial Administration of the Civil Aviation, the Sheremetyevo Aviation and Technical Enterprise, the Center of International Payment Transactions of the Civil Aviation, Inter-Regional Agency of Air Services «Rossia», according to the rights and commitments of the international agreements of the Russian Federation and former USSR on air communication with foreign countries as well as to the contracts and agreements with the above foreign airlines, firms and companies.

The Joint Stock Company is a commercial establishment and in its activities it follows the Civil Code of the Russian Federation, the Air Code of the Russian Federation, the Federal law «On Joint-Stock Stock Companies» and other legal acts of the Russian Federation.

Article 2. Name and Location of the Company

2.1 Full official name of the Company:

in Russian - открытое акционерное общество

«Аэрофлот - российские авиалинии»;

in English - Joint Stock Company **«Aeroflot - Russian Airlines».**

2.2 The abbreviated name of the Company:

in Russian - ОАО «Аэрофлот»;

in English - JCS «Aeroflot».

2.3 The location of the Company concurs with location of it's Executive Board at the address: 37, bld. 9 Leningradsky prospect, Moscow 125167, Russian Federation.

Postal address: 37, bld. 9 Leningradsky prospect, Moscow 125167, Russian Federation.

Article 3. Legal Status of the Company

3.1 The Company is a legal entity according to the law of the Russian Federation. The Company acquires its rights and duties at the moment of its registration.

The Company has in its possession property on its own balance.

The Company has the right to obtain on its behalf and exercise property and other personal rights, to have duties as well as to be a claimant and a respondent in court.

3.2 The Company is entitled in accordance with the established procedure to open bank accounts on the territory of the Russian Federation and outside the country.

3.3 The Company has its own emblem, a round seal with the Company's full title in Russian and English languages with mention of its location and emblem, stamps and forms with its full title and emblem as well as one or several trade marks, registered in the established procedure and other means of visual identification.

The Company, being a legal successor of «Aeroflot», has obtained its trade mark «Aeroflot».

3.4 The main airport of the Company is Sheremetyevo in Moscow. According to the existing in the Russian Federation standards and regulations of the International Organization of the Civil Aviation (IOCA) in its main airport the Company has the priority right over other airlines that are based in Sheremetyevo (Moscow) to use air field parking for its own aircraft, buildings and installations, necessary for ground (technical and commercial) service of its own flights. In compliance with the terms and conditions of international agreements of the Russian Federation and former Soviet Union on air communication with foreign countries the Company also has the priority to

carry out its contract commitments in respect of foreign airlines flying Sheremetyevo airport.

3.5 The Company according to the international agreements of the Russian Federation and the former USSR in the field of the Civil Aviation as well as existing in the Russian Federation standards and regulations of the IOCA is a national carrier of the Russian Federation.

3.6 The Company's fiscal year corresponds to the calendar year.

Article 4. Liability of the Company

4.1 The Company shall be responsible for all its commitments by all its property.

4.2 The State and its bodies shall not be responsible for the Company's commitments, nor the Company shall be liable for the State's or its bodies' obligations.

4.3 The Company shall not be responsible for its shareholders' obligations.

4.4 The shareholders shall not be responsible for the Company's commitments or for risks of loss connected with its activities within the limits of share value of shares belonging to them.

The shareholders, who did not pay for the shares in full, shall bear joint responsibility for the Company's commitments within the limits of unpaid shares belonging to them.

4.5 Provided insolvency (bankruptcy) of the Company is caused by the actions or inaction of its shareholders or other persons participating in the managerial organ of the Company who are entitled to give instructions to be carried out or in any other way may influence the Company's activities, the above shareholders or other persons in case of lack of property shall be made responsible for subsidy obligations according to its commitments.

Insolvency (bankruptcy) of the Company shall be regarded as caused by the actions or inaction of the shareholders or other persons who are entitled to issue compulsory instructions or may in any other way determine the

Company's actions only in case they used deliberately the determined right and (or) opportunity for the purpose of the Company's making steps that may result in insolvency (bankruptcy).

4.6 The Company in implementing state social, economic and tax policy shall be responsible for:

- safety of documents (charter, management, financial and economic and others);
- handing scientific and historical documents to be kept by the government offices;
- keeping, safety and use in the established procedure of the personnel papers.

Article 5. Branches and Agencies of the Company

5.1 The Company shall have the right to open in the established procedure branches and agencies in the Russian Federation and abroad provided it follows the Federal Law «On Stock Companies» and other federal laws as well as outside the Russian Federation it acts in compliance with the law of the foreign country in which branches and agencies are located if otherwise is not provided in the international agreement of the Russian Federation.

5.2 Branches and agencies act on the basis of provisions approved by the Company. Branches and agencies may have the property of the Company either on their own balance or on the balance of the Company.

5.3 The management of the branches and agencies' activities shall be executed by the persons appointed by the General Director of the Company. The managers of branches and agencies act on the ground of the power of attorney obtained from the Company.

5.4 The branches and agencies of the Company act on its behalf. The Company is responsible for the activities of its branches and agencies.

The information on branches and agencies can be found in the appendix of this Charter. The appendix must be approved by the Board of Directors of the Company and has to be registered in prescribed procedure.

Article 6. Affiliated and Dependent Companies

6.1 The Company may have affiliated and dependent companies in the Russian Federation and in foreign countries; such companies shall be established in compliance with the Federal law «On Joint-Stock Companies» and other federal laws, and outside the Russian Federation - according to the law of the foreign country in which affiliated and dependent companies are located if otherwise is not provided in the international agreement of the Russian Federation.

6.2 A company shall be considered affiliated if another (major) Company on the strength of its prevalent share in the authorized stock either according to a contract between them or otherwise has the right to determine the affiliated company's activities.

6.3 A company shall be considered dependent if another (prevalent, participating) company holds over 20 (twenty) per cent of the former's voting shares.

6.4 The affiliated (dependent) company shall not be responsible for the debts of the major company.

6.5 The major company provided it is entitled to give the affiliated company compulsory for the latter instructions, shall be jointly responsible with the affiliated company for the deals made by the latter to carry out such instructions.

The major company is considered to have the right to give the affiliated company compulsory for the latter instructions only in case such right is provided for in a contract with the affiliated company or its charter.

6.6 In case of insolvency (bankruptcy) of an affiliated company through the fault of the major company the latter bears subsidy responsibility for its debts. Insolvency (bankruptcy) of the affiliated company shall be considered to have happened through the fault of the major company only in case the latter

deliberately used the determined right and (or) opportunity so that the affiliated company made steps that might result in its insolvency (bankruptcy).

The loss shall be considered through the fault of the major company only in case it exercised its right and (or) opportunity to deliberately lead the affiliated company to make steps resulting in its loss.

6.7 The shareholders of the affiliated company shall have the right to demand that the major company should compensate the loss that the affiliated company suffered through the former's fault.

Article 7. Aims and Types of the Company's Activities

7.1 The Company has been created to produce services, goods and products with the aim of making profit.

7.2 The Company exercises the following main types of activities:

air transportation of passengers, baggage, cargo and mail on international and internal flights on commercial basis in accordance with the requirements of the Air Code of the Russian Federation and other standard acts of the Russian Federation, international agreements of the Russian Federation and the Company in the field of the Civil Aviation as well as licenses to operate airlines, that shall be obtained in the established procedure;

foreign economic activities;

organization of aeronautics and navigation, meteorological as well as ground services of flights to ensure their safety and regularity;

service of passengers and clientele supplying them with all kinds of services;

service of cargos, their senders and receivers;

exercise airport activity to provide service of passengers, baggage, mail and cargo;

- exercising the functions of Customs air carrier according to procedure of the Law of the Russian Federation;

maintenance and repair works of the aircraft of Russian and foreign make;

ground service (technical and commercial) on a contractual basis of aircraft of Russian and foreign airlines and enterprises;

booking seats (aircraft space), issuing, completing and selling passenger, cargo and other transportation documents;

training, retraining and raising of qualification of air crews and technical personnel for operating international and internal flights and air transportation as well as other types of the Company's activities, for other enterprises including, on a contractual basis, also for work in branches and agencies of the Company in the Russian Federation and abroad;

execution of professional activities in the field of finance and credit according to the Law of the Russian Federation;

execution of professional activities on the securities market according to the Law of the Russian Federation;

working-out, implementation and use of information technologies, including software, in the field of aviation and other Company's activities;

publishing and printing activities, production and selling advertising and souvenir products production, selling and use of photo and video products for commercial purposes;

ensuring measures on air safety and protecting the Company from illegal interference with its activities;

fire-prevention ensuring of aircrafts flights and objects of the Company;

operations, including agency operations, on export and import of services, equipment, marketing and other research, consulting and management services at charge in the field of international and internal air transportation;

leasing of aircraft of Russian and foreign make, equipment, buildings and installations and other property, necessary for the effectiveness of the Company's work;

organization of hotel and tourist business;

development of material base of social sphere for stronger social and economic security of the personnel;

medical care;

construction and use of production premises and blocks of flats, installations, hotels and other buildings necessary for the Company's work;

participation in adjustment of extraordinary situations of capture and hi-jacking of aircrafts and other displays of terrorism on air transport;

participation in organizing and conducting investigations of air accidents and incidents, their analysis and prevention measures as well as participation in search and rescue works;

search and rescue providing of aircrafts flights;

work with an information that is State secret;

making on behalf of the Company contracts (agreements) with Russian and foreign legal entities and natural persons to provide effective

activities of the Company in compliance with the requirements of the Air Code of the Russian Federation, other standard acts and international agreements of the Russian Federation.

providing services for transportation of weapons and cartridges.

The Company shall have the right to execute any types of activities not prohibited by law.

If any type of activities needs to be licensed, the Company shall have the right to be engaged in it on the ground of the license issued in the established procedure.

Article 8. Property and Authorized Capital

8.1 The property of the Company comprises capital and circulating assets as well as other valuables the cost of which is shown in the Company's own balance. The Company shall be the owner of the property belonging to it.

8.2 The Company shall be the owner of the financial resources, property transferred to it by the shareholders, products made as a result of productive-economic activities, intellectual property, earned revenue as well as of the property of detached departments.

8.3 The authorized capital of the Company totals 1 110 616 299 (One billion, one hundred and ten million, six hundred and sixteen thousand, two hundred and ninety nine) rubles.

The authorized capital is divided into 1 110 616 299 (One billion, one hundred and ten million, six hundred and sixteen thousand, two hundred and ninety nine) placed registered shares of nominal value 1 (one) ruble each providing to it's owner all rights of shareholder – owner of ordinary shares mentioned in Federal Law «On Joint Stock Companies» and present Articles;

The number of declared shares comes up to 2 056 696 850 (Two billions, fifty-six million, six hundred and ninety six thousand, eight hundred and fifty) registered shares of nominal value 1 (one) ruble each.

The declared ordinary share in case of its place gives the shareholder-its owner- the same volume of rights. Such share gives its owner a one voice at the general meeting of shareholders ,except the cases stipulated by the

present Articles. The shareholders-owners of the placed declared ordinary registered shares can participate in the general meeting of shareholders with the right of voice to all questions of his competition in accordance with the federal laws and the present Articles, and also have a dividend right and in case of a liquidation of the Company - a right to obtain a share of its properties. The shareholders -owners of the placed declared ordinary registered shares have another rights than the similar rights stipulated by the present Articles and provided by the placed ordinary registered shares.»

8.4 The Company's authorized capital may be increased by increasing the nominal value of shares or placing additional shares.

The decision to increase the Company's authorized capital by increasing the nominal value of shares is accepted by a general meeting of shareholders.

The decision on increasing of the Company' authorized capital in a way of placing the supplementary shares is accepted by the Board of Directors except cases of the supplementary share placing by means of the closed subscription and except cases of the placing by means of opened subscription to the ordinary shares which are more than 25 (twenty five) percents of the ordinary shares earlier placed , and the decision on its placing is accepted by the general meeting of shareholders in accordance with Cl. 11.11 of the Articles.

8.5 The decision to increase the Company's authorized capital by placing additional shares is to determine the limit of the declared shares, the number of additional shares being placed, in the limit of the quantity of declared shares of this category (type), the way of placement, the price of placement of additional shares, that will be placed through subscription or the way of it's determination including the price of it's placement or the way of the cost of placement of additional shares to the shareholders who have primary right to acquire placing shares, the form of payment of additional shares that are place through subscription and also there might be determined the other conditions of placement.

8.6 The authorized capital may be increased after it has been paid up according to the procedure established by the Law of the Russian Federation. It is not allowed to increase the authorized capital to cover the Company's loss.

The increasing of the Company' authorized capital by means of a supplementary share' issue under availability of share' block, which gives more than 25 percents of votes at the general meeting of shareholders and appointed in the government ownership, could realized during the validity of appointment only in case if under such increasing a quantity of government share, provided by putting the government properties or the funds of corresponding budget to the Company' authorized capital for the payment of additionally issued shares is maintained.

8.7 The Company's authorized capital may be reduced by decreasing the nominal value of shares or by reducing their total number, including the way of purchasing a part of shares as stipulated by this Articles.

8.8 The Company may not reduce the authorized capital if its amount becomes less than the minimum authorized capital of the Company, determined according to the Federal law «On Joint-Stock Companies» on the date of representation of the documents for the State registration of the relevant alterations to the Company's Articles.

8.9 The decision to reduce the Company's authorized capital by decreasing the nominal value of shares or by purchasing a part of the shares in order to reduce their total number and to make the necessary alterations to the Company's Articles shall be approved by the shareholders' meeting.

The Company shall notify its creditors about the reduction of it's authorized capital and about the new size of authorized capital during 30 (thirty) days from the date of the decision to decrease the authorized capital. The Company also shall publish the notification about taken decision in a newspapers that are intended to publish data about State registration of legal entities.

8.10 If at the end of the second and each subsequent fiscal year according to the annual financial statement submitted to the shareholders for approval or in accordance with the auditor's report the value of net assets of the Company proves to be lower than its authorized capital the Company must declare reduction of its authorized capital to the amount not exceeding its net assets.

8.11 If at the end of the second and each subsequent fiscal year according to the annual financial statement submitted to the shareholders for approval or in

accordance with the auditor's report the value of net assets of the Company proves to be lower than its authorized capital, stated in article 26 of the Federal law «On Joint-Stock Companies», the Company must declare its liquidation.

8.12 If in cases stipulated in sections 8.10 and 8.11 of this Articles the Company in a reasonable period shall not take a decision on reduction of the authorized capital of the Company or its liquidation, its creditors shall have the right to demand from the Company ahead of time discontinue or obligations execution and loss compensation. In such cases body that executes State registration of legal entities or other State bodies who are permitted by Federal law to receive such a claims have the right to claim the Company's' liquidation in legal form.

Article 9. Founders and Shareholders of the Company.

9.1 The Government of the Russian Federation shall be the founder of the Company.

9.2 Shareholders of the Company may be Russian and foreign legal entities and natural persons, who have the right to acquire shares of the Company.

Article 10. Profit and Funds of the Company.

10.1. After taxes and other obligatory payments, the Company is an owner of the net profit and fully possesses the net profit.

10.2. The Company may create the following financial funds:

- Reserve fund
- Production development fund
- Social development fund
- Special fund of joint-stockization of workers of the Company
- Other funds necessary for its functioning.

The purpose, size, and procedure of formation of the funds, procedure and ways of fund spending are set by the Board of Directors of the Company.

10.3 The Company creates reserve fund amounting 25 % (twenty five) of its authorized capital.

The reserve fund shall be used for covering of losses and also for covering the liabilities of the Company and for acquiring shares of the Company in the event of absence of other means.

The reserve fund may not be used for other purposes.

The reserve fund shall be formed by means of obligatory annual deductions until the attainment of the amount established by the Articles of the Company. The amount of annual deductions shall be provided for by the Articles of the Company, but may not be less than 5% (five) of net profit until the attainment of the amount established by the Charter of the Company in the event of the absence of other means.

Article 11. Securities of the Company.

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

11.2 All common shares shall be registered.

11.3 A par value of all ordinary shares must be equal.

11.4 Additional shares and other issued stocks of the Company that are place by subscription shall be placed only after the moment the fully payment of these stocks.

11.5 The paying up of additional shares that are place by subscription shall be implemented by money, stocks other things or property rights or other rights with cash equivalent value.

The form of payment of additional shares shall be determined by the decision of their placement.

The paying up of other issued stocks shall be implemented only in cash or cash equivalents.

11.6 Paying up of additional shares that are placing through subscription, shall be implement by the price that determines by the Board of Directors in accordance with Article 77 of Federal law «On Joint - Stock Companies», but the price can not be low then nominal price.

The price of placing of additional shares might be lower to the shareholders of the Company when they realize their primary right of acquisition of shares than the price of placing to the other persons, but not more than 10 (Ten) %.

The amount of the commission of agent who takes part in placing additional shares of the Company through subscription, must not be more than 10 (Ten)% of the cost of shares placing.

11.7 Under payment of additional shares with unmonetary means, the Board of Directors should implement pecuniary valuation of the property that is payment of the shares in accordance with Article 77 of Federal law «On Joint - Stock Companies».

Under payment of shares with unmonetary means it must be involved independent appraiser with aim to determine market price of the property (unmonetary means). The amount of fund value of the property can not be higher than the value of fund, determined by appraiser.

11.8 Placement of bonds that are converts into the shares and other issuing stocks converting into the shares implements only by decision of the Board of Directors, except situations when placement of bonds that are converts into the shares and other issuing stocks converting into the shares that are placing in accordance with decision of the General shareholders meeting in accordance with Item 11.11. of the present Articles.

11.9 Procedure of converting bonds into the shares and other issuing stocks, excluding shares, regulates by the decision on issue.

Procedure of convert ordinary shares into privilege shares, bonds and other stocks prohibited.

Placing of additional shares of the Company, in limits of quantity of announced shares that is necessary for procedure of converting into them of the placed converting shares and other issuing stocks of the Company, might be implemented only by such procedure of convert.

11.10 Payment of issuing stocks of the Company, that are place by subscription, implements by price that is determined by the Board of Directors of the Company in accordance with Article 77 of Federal law “On Joint – Stock

Companies”. The payment of issuing stocks that are converts into the shares, that are placing through subscription, implemented by price not lower then nominal cost of shares in which converts such a stocks.

The price on placing of issuing stocks that are convert into shares, for shareholders of the Company when they are use their privilege right to obtain such stocks might be lower then the price of placement of issuing stocks to the other persons but not more then on 10 (Ten)%.

The volume of agent fees, who take part in placement of issuing stocks through subscription should not be higher then 10 (Ten)% of the cost of placement of such a stocks.

11.11 The Company shall have have right to implement placement of additional shares and other issuing stocks of the Company through subscription and converting.

The Company shall have the right to implement placement of shares and issuing stocks of the Company that are converting into shares through open and close subscription.

Placement of shares (issuing stocks of the Company, that are converting into shares) through close subscription implements only in accordance with decision of General Meeting of Shareholders on increase of authorized capital of the Company through placement of additional shares (on placement of issuing stocks of the Company that are convert into shares) that is taken by majority in $\frac{3}{4}$ of voices of shareholders – owners of voting shares who take part in General Meeting of Shareholders.

Placement of ordinary shares through open subscription that are compose more then 25 (Twenty five)% of formerly placed ordinary shares, implements only in accordance with decision of General Meeting of Shareholders, such a decision must be taken by majority in $\frac{3}{4}$ of voting voices of shareholders – owners of voting shares who take part in General Meeting of Shareholders.

Placement of issuing stocks through open subscription that are converting into ordinary shares and which might be converted into ordinary shares that are compose 25 (Twenty five)% of formerly placed ordinary shares implements only in accordance with decision of General Meeting of Shareholders, such a

decision must be taken by majority in $\frac{3}{4}$ of voting voices of shareholders – owners of voting shares who take part in General Meeting of Shareholders.

Placement of shares and other issuing stocks of the Company implements in accordance with Federal Law of the Russian Federation.

11.12 The Company shall have the right to acquire the placed shares in accordance with the decision of the general meeting of shareholders on reduction of authorized capital of the Company by means of acquisition of part of the shares in order to reduce their total number.

The Company shall not have the right to pass a decision to reduce authorized capital of the Company by means of acquisition of a part of placed shares in order to reduce their total number, if the par value of the shares in circulation shall be less than the minimum amount of the authorized capital of the Company, that is mentioned by the Federal law “On Joint – Stock Companies”.

The Company shall have the right to acquire placed shares in accordance with the decision of the Board of Directors of the Company.

The Company shall not have the right to pass a decision on acquisition of shares by the Company if the par value of the shares in circulation constitutes less than 90% of the authorized capital of the Company.

11.13 Shares acquired by the Company at the decision of the general meeting of shareholders on reduction of the authorized capital of the Company by means of acquisition of shares in order to reduce their total number, thereof shall be cancelled when they are acquired.

16.13 Shares acquired by the Company by the decision of the Board of Directors of the Company shall not grant a right to vote, they shall not be taken into account in counting of votes, and dividends shall not be credited with respect to them. Such shares must be realized in accordance with their market price not later than one year from the date of their acquisition, otherwise the general meeting of shareholders must pass a decision to reduce the authorized capital of the Company by means of canceling of the said shares or increasing the par value of the remaining shares while preserving the amount of the authorized capital as stipulated by this Company Articles.

16.14 The decision of acquisition of shares must set the categories (types) of acquiring shares, the quantity of acquiring shares of each category (type), the form and period of payment, as well as period within which the acquisition of shares shall take place.

The period within which the acquisition of shares shall take place may not be less than 30 (thirty) days. The price of shares to be acquired by the Company is determined in accordance with Article 77 of the Federal Law "On Joint-Stock Companies".

16.15 Each shareholder holding shares of particular categories (types), the decision to acquire which is passed by the Board of Directors of the Company, shall have the right to sell the said shares, and the Company shall be obliged to acquire them.

If the total number of shares to which applications of purchase have been received, exceeds the quantity of shares which may be acquired by the Company with the limitations set by this Article, the shares shall be acquired from the shareholders in proportion to the declared demands.

Not later than 30 (thirty) days before the beginning of acquisition of shares, the Company shall be obliged to inform the shareholders of specified categories (types) of shares which shall be acquired.

11.17. The Company shall not have the right to acquire common shares:

until full payment of the entire authorized capital of the Company;

if at the moment of acquisition the company is under insolvency (or bankruptcy) claims in accordance with legal acts of the Russian Federation on insolvency (or bankruptcy) of enterprises or such pledges may appear as a result of the acquisition of these shares;

if at the moment of acquisition the value of the net assets of the Company is less than its authorized capital, reserve fund of the Company, or becomes less in amount as a result of the acquisition of the shares.

the Company shall not have the right to acquire the placed shares before the purchase of all the shares, to which there is a demand in accordance with Article 76 of the Federal Law "On Joint-Stock Companies".

11.18. The Company shall have the right to place bonds and other issuing stocks as specified in legal acts of the Russian Federation on securities.

The placement of bonds and other issuing stocks of the Company shall be implemented in accordance with decision of the Board of Directors of the Company.

A bond shall certify the right of its holder to demand the repayment of the bond (or payment of par value, or the par value and the interest) within the fixed period of time.

The statement of issuing shares must contain the form, periods, and other conditions of repayment of the bonds. A bond must have a par value.

11.19. The par value of all bonds issued by the Company must not exceed the amount of the authorized capital of the Company or the amount of security granted to the Company by a third party for the purpose of issuance the bonds. The placement of bonds by the Company shall be permitted after the full payment of the authorized capital.

The Company shall have the right to place bonds secured by the pledge of specified property of the Company or bonds under a security granted by a third party for the purpose of issuance of the bonds and bonds without security.

The placement of bonds without security shall be permitted not earlier than the third year of operation of the Company and after a proper approval at this moment of two annual balance sheets of the Company.

11.20. The Company may place bonds with a «one time» period of repayment or bonds with a repayment period by series within specified periods.

The repayment of bonds may be exercised in money or in property in accordance with the decision of their issuance.

Bonds may be inscribed or bearer. In case of issuance of inscribed bonds, the Company shall be obliged to keep the register of their holders.

The Company shall not have the right to place bonds and other issuing securities, convertible into shares of the Company if the quantity of declared shares of the Company of particular categories and types is less than the quantity of shares of these categories and types, the right to acquire which such securities grant.

Article 12. Ensuring Rights of Shareholders When Placing Shares and Securities of the Company, Convertible Into Shares.

12.1. Shareholders of the Company shall have preferential right on acquiring of additional shares and issuing stocks, that are placing through open subscription and are converting into the shares in quantity that is proportional to the quantity of their shares of the same category.

12.2 The list of persons who have preferential right on acquire of additional shares and issuing stocks that are convertible into shares, shall be composed in accordance with shareholders register on the date of taking decision that is basis of placing of additional shares and issuing stocks that are convertible into the shares. To compose the list of persons, who have preferential right on acquiring of additional shares and issuing stocks that are converting into the shares, nominal shareholder shall present an information on persons, which property interests he present.

Persons, included into the list of persons who have preferential right on acquire of additional shares and issuing stocks that are convertible into shares of the Company shall be notified with written letter - notification or by giving to each of mentioned in the list person or through publication of information in newspaper "Rossiyskaya gazeta" about possibility to realize their preferential right not later then before 45 (Forty five) days before the moment of placing by the Company of additional shares and issuing securities that are convertible into the shares of the Company.

The notice must contain information about the quantity of voting shares and issuing securities, convertible into shares to be placed, the price of placement or manner of price of placement determination, (including the price of placement or manner of price of placement determination to shareholders of the Company in case they realize their preferential right to acquire shares), the procedure for determining the quantity of securities, which each shareholder has the right to acquire, the period of validity of such a right and the procedure of its realization.

12.3 A person, owner of preferential right on acquiring of additional shares and issuing securities, convertible into the shares shall have the right to fully or partially realize his preferential right by sending the Company a written notice on acquiring of voting shares and issuing securities, convertible into voting shares, and confirmation of payment of shares and issuing securities, convertible into shares. The application shall contain the name and the place of residence of the shareholder, the quantity of securities to be acquired.

Such a notice must be sent to the Company no later than the date preceding the date of placement of additional voting shares and securities, convertible into voting shares.

Article 13. Rights of Shareholders of the Company.

13.1 Each common share of the Company shall grant equal rights for its holder. Each common share of the Company shall grant to it's owner one voice on General Shareholders Meeting, excluding cases, mentioned by this Articles.

13.2 Shareholders of common shares of the Company may, in accordance with the Federal Law "On Joint-Stock Companies" and this Charter, participate in the general meeting of shareholders with the right to vote in regard to all questions of its competence, and also have the right to receive dividends and in case of liquidation of the Company, the right to receive part of its property.

Shareholders of the Company shall have the right to alienate their own shares without permission of other shareholders and Company.

13.3 Shareholders of voting shares shall have the right to demand the purchase by the Company of all or a part of the shares belonging to them in cases of:

reorganization of the Company or execution of a large-scale transaction, decision on approval of mentioned above cases shall be taken by General Shareholders Meeting if they have voted against the decision of its

reorganization or approval of the aforementioned transaction, or they have not participated in voting on these questions;

introducing alterations and amendments to the Charter of the Company or adoption of the revised Charter, limiting their rights, if they have voted against a respective decision or have not participated in the voting.

13.4 The list of shareholders, who have the right to demand the purchase by the Company of shares belonging to them shall be drawn up in compliance with data of the register of shareholders of the Company who have the right to participate in the general meeting of shareholders with the agenda including questions which may entail the arising of the demand to purchase the shares.

Total sum of money, which the Company allocates for purchasing of shares, may not exceed 10 (ten) % of the value of net assets of the Company to the date of adoption of the decision, which resulted in the right of shareholders to demand the purchase of shares belonging to them.

13.5 The Company shall purchase shares at the price determined by the Board of Directors, but not lower than their market value and shall be determined by independent valuer without its change as a result of Company activity, that are caused arising of the right of demand of evaluation and purchase of shares.

13.6. Shares purchased by the Company in case of its reorganization are repaid at the moment of purchase.

Shares purchased by the Company in other instances as specified by Article 75 (1) of the Federal Law "On Joint-Stock Companies" shall be kept by the Company at its disposal. These shares shall not grant the right of vote, shall not be taken into account when counting votes, and dividends shall not be credited with regard to them. Such shares must be realized on their market price not later than one year from the date of their purchase, otherwise the general meeting of shareholders must pass the decision on reduction of the authorized capital of the Company by means of repayment of these shares.

Article 14. Dividends of the Company.

14.1 Dividends shall be paid out from the net profit of the Company for the current year.

14.2 Based on the results of the first quarter, half a year and nine months of a financial year, the company is entitled to make decisions (declare) on dividends distribution on placed shares. Decision on distribution (declaration) of the dividends based on the results of the first quarter, half a year and nine months of a financial year, may be taken within three months after expiration of a corresponding period.

Decisions on distribution (declaration) of the dividends, size of the dividends and form of their distribution are taken by the general meeting of the shareholders on recommendation of Board of Directors of the Company.

The amount of an annual dividend shall not exceed the one recommended by the Board of Directors and shall not be less than the amount of the intermediate dividends.

The general meeting of shareholders shall have the right to adopt a decision of non payment of dividends.

14.3. Term and procedure of dividends distribution is defined by the decision of a general meeting of the shareholders on payment of the dividends.

14.4. For each payment of dividends the Board of Directors of the Company provides a list of holders who have the right to receive dividend.

List of the persons entitled to dividends distribution, is made at the date of drawing up the list of the persons having the right to participate in a general meeting of the shareholders at which decision is taken to distribute corresponding dividends.

To compile a list of persons entitled to dividends distribution, a nominal shareholder shall provide information on the persons in whose interests he holds shares.

14.5 The company has no right to make decision (declare) on payment of dividends, including the results of the first quarter, half a year and nine months of a financial year, on shares:

until full payment of the whole authorized capital of the company;

until full payment of all shares, that shall be purchased in accordance with Article 76 of the Federal law "On Joint - Stock Companies";

if at the date of taking such a decision the Company is claimed insolvent (or bankrupt) in accordance with legal acts of the Russian Federation on insolvency (or bankruptcy) of enterprises or such pledges appear as a result of the payment of dividends;

if at the date of taking such a decision the cost of net assets of the Company is less than its authorized capital, and reserve fund or shall become less of their size as a result of such a decision taken.

in other cases, mentioned by the Federal law.

14.6 The Company shall have no right to pay declared dividends on shares in following cases:

if at the date of payment the Company is claimed insolvent (or bankrupt) in accordance with legal acts of the Russian Federation on insolvency (or bankruptcy) of enterprises or such pledges appear as a result of the payment of dividends;

if on the date of payment the cost of net assets of the Company is less than its authorized capital, and reserve fund or shall become less of their size as a result of such a decision taken.

in other cases, mentioned by the Federal law.

When circumstances, mentioned in this Article will stop the Company obliges to pay declared dividends to its shareholders.

Article 15. Register of Shareholders of the Company.

15.1 The Company shall be obliged to keep and save the register of shareholders of the Company in accordance with the legal acts of the Russian Federation.

15.2 The holder of the register of the shareholders of the Company have to be professional participant of the securities market and have to implement its activity on keep the register of shareholders (further – special registrar).

15.3 The holder of the register of the shareholders of the Company have to upon the demand of a holder or a nominee confirm his rights for shares by

means of issuing of an extract from the register of shareholders of the Company, which is not a security per se. Occasional loss or damage of an extract shall not damage shareholder's rights and obligations.

15.4 Persons, registered in the register of shareholders of the Company shall be obliged to timely inform the holder of the register of stockholders of the Company of all the changes in his personal data. In case of a failure to submit information about changes in his personal data, the Company and the holder of the register shall not bear the responsibility for the losses which may occur as a result.

Chapter 16. General Meeting of Stockholders.

16.1 The highest managing organ of the Company shall be the general meeting of shareholders.

The Company shall be obliged to hold annual general meetings of shareholders (annual general meeting of shareholders).

Annual general meeting of shareholders shall be held not earlier than three months and not later than six months after the end of financial year.

At annual general meeting of the shareholders the questions on election of Board of Directors of the Company, Auditing Commission of the Company, approval of the Auditor of the Company, annual reports and annual accounting reports of the Company and other documents, presented by the Board of Directors of the Company, in accordance with sub. paragraph 10 of item 16.8., Clause 16 of the present Articles of Association.

General meetings other than annual shall be considered extraordinary.

16.2. Date and procedures of holding of general meeting of the shareholders, procedures of notifying the shareholders about the meeting, list of materials, (information) provided to the shareholders, in the process of preparation for the general meeting of the shareholders are established by Board of Directors of the Company according to the requirements of the Federal law " About Joint-Stock Companies " and Regulations about general meeting of the shareholders JSC "Aeroflot".

16.3 The List of shareholders, who have right to take part in the General Meeting of Shareholders, compose on the base of data of Register of shareholders on the date that is appointed by the Board of Directors of the Company.

16.14 The date of drawing up the list of shareholders who have the right to participate in the General Meeting of Shareholders may not be fixed earlier than the date of passing of the decision on the general meeting of shareholders and no later than 50 (fifty) days before the date of the General Meeting. And in case, mentioned in paragraph 2, Article 53 of the Federal law “On Joint – Stock Companies” – not more than 65 days before the date of General Meeting of Shareholders.

In the event when the general meeting of shareholders' quorum to be voted by ballots received by the Company in accordance with Article 58(2) of the Federal Law "On Joint-Stock Company", the date of drawing up of the list of shareholders who have the right to participate in the general meeting of the Company shall be established not earlier than 45 days before the actual holding of the general meeting of shareholders of the Company.

To compile a list of persons entitled to participation in the general meeting of shareholders, a nominal shareholder shall provide information on the persons in whose interests he holds shares at the date of compiling the list.

If shares of the Company are the property of share investments funds, managers of these share investments funds are included into the list of persons entitled to participate in the general meeting.

If shares of the fund are handed over for beneficial ownership, into a list of persons having the right to participate in the general meeting are included beneficial owners, excluding the cases when a beneficial owner is not authorized to vote by shares of his beneficial ownership.

The list of persons who have the right to participate in the General Meeting of Shareholders shall contain the name of each shareholder, data necessary for his identification, data on quantity and category (type) of shares, voting rights he is obtain, postal address in the Russian Federation, where will be send notification about holding on General Meeting of Shareholders, voting bulletins in case if voting procedure suppose sending of the voting bulletins and report on the results of voting.

List of the persons entitled to participate in a general meeting of the shareholders, is presented by the Company for familiarization on request of the persons, included in this list and holding not less than 1 (one) percent of votes, on any question on the agenda of the general meeting, in accordance with the established procedure for providing information (materials) when preparing a general meeting. The data of the documents and post addresses of physical persons included in this list, are revealed only with the consent of these persons.

Upon any affiliated person's demand, the Company during three days shall be obliged to represent him a extract from the list of shareholders who have the right to participate in the general meeting of shareholders, which contains data concerning this person, or , that this person is not included in such a list persons shareholders who have the right to participate in the general meeting of shareholders.

Changes in the list of shareholders who have the right to participate in the general meeting of shareholders may be made only by the Board of Directors in the event of reinstatement of violated rights of persons not included in the list to the date of drawing up thereof, or correction of errors which could occur in the process of drawing up of the list.

16.5 General Meeting of Shareholders has the right (has a quorum) in the event if it was taken part by shareholders who owns in the aggregate more than half of voting voices of placed voting shares of the Company.

When establishing if quorum is secured and counting the votes, some of the votes, provided by split stock are summed up without rounding numbers.

Shareholders taken part in General Meeting of Shareholders are shareholders who registered for participation in General Meeting of Shareholders and shareholders whose bulletins that were received not later two days before holding General Meeting of Shareholders on. Shareholders taken part in General Meeting of Shareholders which was hold on by correspondence voting are shareholders whose bulletins were received before the last date of bulletins receiving.

General meeting, carried out by way of joint presence for the discussion of questions on the agenda, is opened if by the time of its opening a quorum is made up for at least one of the questions on the agenda of the general meeting.

If by the time of the beginning of the general meeting, quorum is not secured on none of the questions included into the agenda of the general meeting, opening of the general meeting is postponed by 1 hour.

Postponing of the opening of the general meeting of shareholders is not allowed more than once.

16.6 In the event of quorum absence for holding on an Annual General Meeting of Shareholders it have to be conducted recurring General Meeting of Shareholders with the same Agenda.

It is prohibited to change Agenda during holding on of recurring General Meeting of Shareholders.

In case of quorum absence for holding on of Extraordinary General Meeting of Shareholders it might be hold on recurring General Meeting of Shareholders with the same Agenda.

Recurring General Meeting of Shareholders which was called instead of insolvent is authorized (has a quorum) if in it were took part shareholders (their representatives) who owns in the aggregate not less then 30 (thirty) % of voting voices of placed voting shares of the Company.

Notification about holding on of recurring General Meeting of Shareholders occurs in accordance with requirements of Article 52 of Federal law “on Joint Stock – Companies”.

During holding of General Meeting of Shareholders on less then 40 days after insolvent General Meeting of Shareholders persons, who have right on a voting voice on participation on General Meeting of Shareholders determinates in accordance with list of persons who have right to take part on insolvent General Meeting of Shareholders.

16.7 The right to participate in the General Meeting of Shareholders shall be exercised by a shareholder in person or through a representative.

The shareholder shall have the right at any time to replace his representative on the general meeting of shareholders or to participate in the meeting in person.

Shareholder's representative on the general meeting of shareholders shall act within responsibilities as set by the laws in force in the Russian Federation.

Power of attorney for vote must be drawn up in accordance with demands of the Civil Code of the Russian Federation and other legal acts of the Russian Federation.

16.7.1. In case of transfer of shares after the date of drawing up of the list of the persons entitled to participate in the general meeting of the shareholders and up to the date of holding the general meeting of shareholders (further- shares, handed over after the date of compiling the list), the person included in the list shall give to the purchaser the power of attorney for voting or to vote at a general meeting according to the instructions of the purchaser of the shares.

This rule shall be practiced in every other subsequent transfer of shares.

16.7.2. In the instance when the share of the Company is held in common ownership of several holders, the vote is carried out, under their choice, by one of the holders of the share in common ownership or their common representative.

If the instructions of the purchasers coincide, then their votes are summed up. If the instructions of the purchases with respect of the voting on the same question on the agenda of the general meeting do not coincide, then the person included into the list of the persons with a right of vote at the general meeting shall vote on such a question in accordance with the received instructions and with such number of votes which is given by the shares held by each purchaser.

If shares giving the right of vote at the general meeting of shareholders are circulating outside the territory of the Russian Federation by way of securities of a foreign issuer, issued in accordance with foreign legislation and certifying the rights to such shares (deposited securities), voting on such shares shall be carried out only in accordance with the instructions of owners of depositary securities.

16.7.3. If shares partially owned by several persons their voting rights at the general meeting of shareholders realize at their discretion by one of the participants of the mutual property or by their common representative. Authority of each of the holders must be duly confirmed.

16.8 The following questions shall be in competence of the general meeting of shareholders:

- submittal of alterations and amendments to the Company Articles in cases, mentioned by existing law of the Russian Federation or approval of the Company Articles in a new version;
- reorganization of the Company;
- liquidation of the Company, appointment of the liquidation committee and approval of interim and final liquidation balance sheets;
- determination of the membership of the Board of Directors, election of its members or early termination of their powers;
- determination of category (type), quantity, nominal value of declared shares and rights that are giving such a shares;
- extension of the authorized capital of the Company by increasing of nominal value of shares;
- reduction of the authorized capital of the Company by means of reduction of the par value of shares, with acquisition by the Company of a part of shares in order to reduce their total number and also by repay purchased shares;
- election of members of the Audit Committee of the Company and early termination of their powers;
- confirmation of the authorities of the Auditor of the Company;
- approval of the annual reports, annual accounting reporting, including reports on profits and losses (accounts of profits and losses) of the Company, as well as distribution of the profit, including distribution (declaring) of dividends, excluding profit distributed as dividends based on results of the first quarter, half a year, nine months of the financial year and losses of the Company based on the results of a financial year;
- procedure of holding of the general meeting of shareholders;
- split up and consolidation of shares;
- taking decisions on approval of executing transactions in the instances as provided for in the Article 83 of the Federal Law «On Joint-Stock Companies»;
- taking decisions on approval of a decision on a large-scale transaction the subject of which shall be property the value of which shall exceed 50% (fifty) balance value of assets of the Company to the date when the transaction becomes effective;
- the acquisition and purchase by the Company of placed shares in the instances provided for by the Federal Law «On Joint-Stock Companies»;
- participation in holding companies, financial-industrial groups, associations and other associations of commercial organizations;

- confirmation of the statutes of the “Holding on of General Meeting of Shareholders”, of the Board of Directors of the Company, of the Executive Board, of the members of the Audit Committee of the Company;
- making decisions on distribution (declaration) of dividends based on results of the first quarter, half a year, nine months of the financial year, size of dividends on the shares of the Company, form and procedure of its distribution;
- adoption of a decision of placement of shares and other issuing securities, convertible into shares in cases mentioned on Item 11.11 of the Articles;
- confirmation of the amount of remuneration of the members of the Board of Directors, the Audit Commission;
- addressing other questions as specified in the Federal Law «On Joint-Stock Companies».

The right to take a decisions that are in a competence of General Meeting of Shareholders can not be delegated to the Executive Board of the Company.

Questions of exclusive competence of the General Meeting of Shareholders can not be delegated for execution to an executive organ of the Company or to the Board of Directors.

The general meeting of shareholders shall not have the right to deal and adopt decisions on questions out of its competence.

16.9 Voting at the General Meeting of Shareholders shall be «one voting share - one vote», except holding on cumulative voting in case as specified in the Federal Law «On Joint-Stock Companies».

16.10 Voting at a general meeting of shareholders with regard to the agenda of the meeting shall be carried out by voting ballots.

The form and the text for the ballot for voting shall be confirmed by the Board of Directors of the Company.

During General Meeting of Shareholders voting ballot has to be sent or will be given under signature to each person who mentioned in a list of persons who has right to take part in General Meeting of Shareholders not later then before 20 (twenty) days before holding General Meeting of Shareholders.

During General Meeting of Shareholders, except General Meeting of Shareholders adopted by a poll, persons included in to the list of persons (their representatives) who have right to take part in General Meeting of Shareholders have right to take part in such a Meeting or to send filled ballots to the Company. At this time during determination of the quorum and summing up of the results of voting it takes into account voices that are represented with ballots received by the Company not later than before 2 (two) days before the date of holding on General Meeting of Shareholders.

16.10.1. A ballot for voting shall contain:

- full Company name and it's address;
- the form of holding General Meeting of Shareholders (Meeting or correspondence voting);
- date, place and time of holding of the General Meeting of Shareholders and also postal address which will receive filled ballots and in case of holding of the General Meeting of Shareholders in form of correspondence voting the deadline for receiving voting ballots and postal address on which they are must be sent should be mentioned;
- formulation of each question (the name of each candidature) put for voting and consequence of addressing it;
- variants of voting for each question to be addresses by the vote, expressed as «agree», «against», «abstain»;
- and a remark that a voting ballot must have a shareholder signature.

Bulletin for voting, opposite each version of the vote, shall contain margins for indicating the number of votes cast for each voting option, it may also indicate the number of votes belonging to a person having the right of vote at the general meeting of shareholders. At this, if voting by such a bulletin is carried out on two or more questions of the agenda of the general meeting on different issues of the agenda and the number of votes possessed by a voting person, having the right of vote at the general meeting on different questions of the agenda do not coincide , in such a bulletin a number of votes shall be indicated with which a person, having a right of vote, may vote at the general meeting, on each question of the agenda.

The list and content of explanations contained in the voting bulletin are shown in p.9.4.2 , Article 9 of Regulations on shareholders general meeting.

16.10.2. When voting is carried out with regard to election of a member of the Board of Directors or the Audit Commission of the Company, the ballot must contain data on the candidates, specifying candidate's surname, forename and patronymic.

16.10.3. In case of cumulative voting, the bulletin for voting shall contain the instruction on this and the explanation of an essence of cumulative voting. In addition to explaining the essence of cumulative voting the voting bulletin shall contain an explanation of the following nature: “ Fraction of a vote received as a result of multiplying the number of votes belonging to a shareholder, holder of a split up stock, by a number of persons who shall be elected to the Board of Directors of the Company, may be given only to one candidate”

16.10.4. When voting is carried out by voting ballots, the votes shall be counted with regard to those questions for which a voter has only one possible variant of voting.

Voting ballots filled in against abovementioned requirements shall be considered invalid, and the votes with regard to the questions therein shall not be counted.

If voting ballot contains several questions to be brought for vote, the failure to comply with abovementioned requirement with respect to one or several questions shall not entail considerations of invalidity of the ballot as a whole.

The cases of recognizing the bulletins as void are described in p. 9.12, Article 9 of Regulations on shareholders general meeting.

16.11 The decision of the General Meeting of Shareholders with regard to the question put for voting shall be adopted by a majority of votes of the shareholders of voting shares, taking part in the meeting, if another was not appointed by the Federal law “On Joint – Stock Company”.

Decisions with regard to the questions specified in subsections 1-3, 5 and 16 of paragraph 16.8 of Article 16 of this Articles, shall be adopted by the general meeting of shareholders by a majority of three fourths of the votes of the shareholders of voting shares who participate in the meeting.

The decision with regard to the question specified in subsection 20 of paragraph 16.8 of article 16 of this Articles, shall be adopted by a majority vote with taking into account paragraph 11.11 of Article 11 of this Article.

The decision with regard to the questions specified in subsections 2,6, 13 - 20, of paragraph 16.8 of article 16 of this Articles shall be adopted by the general meeting of shareholders only by proposal of the Board of Directors.

The general meeting of shareholders shall not have the right to adopt decisions with regard to questions not included on the agenda of the meeting, nor to change the agenda.

16.12 Decisions adopted by the General Meeting of Shareholders, and also the results of voting shall be announced during General Meeting of Shareholders at which the voting was holding on or brought to attention of shareholders who have right to take part in General Meeting of Shareholders in a conditions foreseen for notification about holding on of General Meeting of Shareholders, not later than 10 (ten) days from the date after the protocol of the Meeting composed as a report of voting results adoption of such decisions.

List of information which shall contain the report on results of voting at the general meeting of shareholders, as well as procedures of preparing the report on the voting results are listed in p.14.6 and p. 14.7, Article 14 of Regulations on shareholders general meeting of JSC “Aeroflot”.

A shareholder shall have the right to appeal to a court against the decision adopted by the General Meeting of Shareholders in violation of the requirements of the Federal Law «On Joint-Stock Companies», of the legal acts of the Russian Federation, and the Articles of the Company if he did not take part in the meeting or voted against the adoption of such a decision and the said decision violates his rights and legal interests.

16.13 Decision of general meeting of the shareholders can be approved without holding a general meeting (joint presence of the shareholders for discussion of questions on the agenda and taking decisions on questions put on voting) by carrying out correspondence voting (by way of postal inquiry). The date of the general meeting held by correspondence voting is the date of termination of acceptance of bulletins for voting.

The decision of the General Meeting of Shareholders with regard to the questions specified in paragraph 16.1 of article 16 of this Articles can not be adopted by a poll.

The decision of the General Meeting of Shareholders adopted by a poll shall be considered valid if the shareholders who participated in the vote hold in aggregate no less than half of voting shares of the Company.

Polls shall be conducted by ballots, which meet the requirements of Article 60 of the Federal Law «On Joint-Stock Companies». The date of providing of voting ballots to shareholders shall not exceed 20 (twenty) days before the Company finishes the acceptance of ballots.

16.14 For organization and summarizing of voting the Accounting Commission is created, its functions are carried out by specialized registrar of the Company. Other Registrars cannot fulfill functions of the Accounting Commission.

The Counting Commission shall check the authority and registers persons that take part in General Meeting also it shall check quorum of the General Meeting of Shareholders, clarify the questions with regard to the right of shareholders (or representatives) to vote, clarify the voting procedure with regard to the questions to be voted for, secure the set procedure of voting and the shareholders' right to vote, count votes and the result of voting, draw up a protocol of vote and hand in ballots to the archives.

The order of registration for participation in the general meeting of shareholders, persons having the right to participate in the general meeting are described in Article 7 of Regulations on shareholders general meeting.

16.15 Based on the results of voting, the Accounting commission makes the protocol on results of voting at the general meeting of the shareholders, signed by the persons authorized by the Registrar and performing functions of an Accounting commission.

The list of information which the protocol of the voting results at shareholders general meeting, as well as the procedures of preparing the protocol on voting results is described in p.14.2 and p.14.7 of Article 14 of Regulations on shareholders general meeting.

Protocol of results of vote shall be composed not later 15 (Fifteen) days after General Meeting of Shareholders close or the date of voting ballots receiving finish during General Meeting of Shareholders by poll.

After drawing up and signing up of the protocol with results of voting, voting ballots shall be sealed by the Counting Commission and hand in to the archives.

Protocol with the results of voting shall be attached to the protocol of the general meeting of shareholders.

16.16 Protocol of the general meeting of shareholders shall be drawn up not later 15 (fifteen) days after the closing of the general meeting of shareholders in two copies. Both copies shall be signed by the Chairman of the general meeting of shareholders and the Secretary of the general meeting of shareholders.

The list of information which the minutes of the shareholders general meeting shall contain, as well as the procedures of preparing the minutes of the general meeting are described in p.15.2 of Article 15 and p.14.7 of Article 14 of Regulations on shareholders general meeting of JSC “Aeroflot”.

To the minutes of the general meeting of shareholders are attached:

- protocol on voting results at the general meeting of shareholders
- documents accepted or approved by the decisions of the shareholders general meeting.

Chapter 17. Preparation for the General Meeting of Shareholders

17.1 When preparing the general meeting of shareholders the Board of Directors of the Company shall determine:

- form of Annual General Meeting (meeting or voting by default);
- date, place and time of the general meeting of shareholders, and postal address, to which filled bulletins can be send, and in case of voting by default, the date of conclusion of receiving voting bulletins. General meeting shall be held in the city of Moscow, which is the location of executive bodies of the Company, or in Moscow region, which the main location of the Company;
- agenda of the general meeting of shareholders;
- date of drawing up of a list of persons who have the right to participate in the general meeting of shareholders;
- procedure of informing shareholders of the general meeting of shareholders;
- list of information (materials) to be provided to the shareholders in the process of preparation for the general meeting of shareholders;
- the form and the text of a voting ballot.

17.2 Notification about the Annual General Meeting of shareholders must be made not less than 20 (twenty) days before the date of the Annual General Meeting of shareholders, and the notification about the Annual General Meeting of shareholders with a question of reorganization of the Company in its agenda, - not less than 30 (thirty) days before the date of the Annual General Meeting of shareholders.

In case, which is envisaged in Point 2 Clause 53 of the Federal Law “On the Joint-Stock Companies”, the notification about the Extraordinary General Meeting of shareholders must be made not less than 50 (fifty) days before the date of the general meeting of shareholders.

Notification to the persons, pointed in the list of persons who have right to participate in Annual General Meeting of shareholders realizes by sending them a written notification by registered letter or by delivering it to every pointed person, or by publishing this information in “Rossiyskaya Gazeta” newspaper. As an addition, notification about the Annual General Meeting of shareholders can be published in other accessible for all shareholders of the Company mass-media.

In case, when the registered person in register of the shareholders of the Company is a nominal holder, the notification about the Annual General Meeting of shareholders must be sent to the nominal holder.

17.3 Notification about the Annual General Meeting of shareholders must contain the following information:

- full title and location of the Company;
- form of the General Meeting of shareholders (meeting or voting by default);
- date and place of General Meeting of shareholders and in case when the filled bulletins could be sent to the Company, address by which filled bulletins could be sent, or in case of voting by default, date of conclusion of receiving of voting bulletins and the postal address by which the filled bulletins must be sent;
- time of the beginning of registration of the persons taking part in the general meeting, if holding the general meeting by way of a meeting (joint presence of shareholders);
- date of composing the list of persons, who have rights to take part in General Meeting of shareholders;
- questions included in agenda of General Meeting of shareholders;
- manner of acquainting with information (materials), which must be represented during the preparation to the General Meeting of shareholders and address by which it is possible to get acquainted with this information.

17.3.1. To the information (materials) subject to representation to the persons, entitled to participation in a general meeting of the shareholders, when preparing for the general meeting of the shareholders, is the annual report and annual accounting report of the Company, Auditing Commission conclusion on reliability of information contained in the annual report of the Company and Auditor of the Company on results of the annual auditing of financial and production activity of the Company, information on the candidates to the Board of Directors of the Company and Auditing commission of the Company, recommendations of the Board of Directors of the Company on profit distribution, including on the size of the dividend on shares of the Company and procedures of its distribution, and losses of the Company based on the results of financial year, draft of changes and additions introduced to the Articles of Association of the Company or a new edition of the draft of the Articles of Association, and also other information stipulated by the current legislation of Russian Federation and the Articles of Association of the Company.

List of information which shall contain the annual report of the Company shall contain, as well as the procedures of preparing annual report are described in p.5.6 of Article 5 of Regulations on shareholders general meeting of JSC "Aeroflot".

17.3.2. Additional information, which shall be presented to the persons having the right to participate at the general meeting, when preparing the general meeting, the agenda of which includes the election of the members of the Board of Directors, members of the Auditing Commission, is the information about availability or absence of a written consent of the candidates nominated for election to a corresponding body of the Company.

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17.3.3. List of additional information (materials) which shall be presented to the persons entitled to participate it the general meeting, when preparing the general meeting:

- agenda, including questions the voting on which may cause coming into existence of the right of shares redemption by the Company;
- agenda of which includes the question on re-organization of the Company

is listed in p.5.5.2 and p.5.5.3. Regulations on shareholders general meeting of JSC "Aeroflot".

- 17.3.4. Information (materials) stipulated by the list of the information, given to the shareholders when preparing for general meeting of the shareholders, within 30 (thirty) days before holding a general meeting of the shareholders, shall be distributed

to the persons entitled to participate in the general meeting of the shareholders, in an office at the address of General Director of the Company, as well as in other places, the addresses of which are specified in a notice of a general meeting of the shareholders.

Appointed information (materials) must be accessible to all persons, which take part in the General Meeting of shareholders, during the General Meeting of shareholders.

The Company shall, on request of the person entitled to participate in a general meeting of the shareholders, to give to him copies of the specified documents within 5 days of the date of receipt by a Company of the appropriate request. Payment raised by the Company for presenting the specified copies, cannot exceed expenses for their production.

17.4 Shareholders (a shareholder) of the Company who in aggregate hold not less than 2 (two) % of voting shares of the Company shall have the right to submit the proposals for the agenda of the general meeting of shareholders and to nominate candidates for the Board of Directors and the Audit Commission the number of which can not exceed the number of members of this body, and to nominate a candidate for the Chief Executive Officer. This proposals must be made within 45 (forty five days) after the end of financial year

Share of voting shares belonging to shareholders (shareholder), making a proposal for the agenda of a general meeting, is determined at the date of making such a proposal.

17.5. Questions for the agenda of the General Meeting of shareholders and proposals of nominating the candidates must be in written form with the names of the shareholder(s), submitting the question, and the quantity and the category (type) of shares belonging to him and must be signed by shareholder.

17.5.1 Proposals on introduction of questions to the agenda and suggestions on nominating candidates into the Board of Directors and into Auditing Commission of the Company may be introduced by way of:

-sending by mail to the address (location) of the executive body of the Company, included in the United State Register of legal persons, to the addresses shown in the Articles of Association of the Company.

- delivery against signature to a person who is performing the functions of a sole executive body of the Company, Chairman of Board of Directors of the Company or other person authorized to accept correspondence in writing, addressed to the Company;

17.5.2 If the proposal to the agenda of a general meeting of shareholders is signed by a representative of a shareholder, a Power of Attorney shall be attached (copy of the power of the attorney) to such a proposal, certified in accordance with the set procedure, with information on the represented person or the person representing him which in accordance with the Federal law “About Share Companies” shall contain the Power of Attorney for voting, executed in accordance with the requirements of the Federal law “ About Share Companies” to a Power of Attorney for voting

17.5.3. Proposal to the agenda of shareholders general meeting is considered to be made by those shareholders who (whose representatives) signed it.

17.5.4 If a proposal to the agenda of shareholders general meeting is signed by a shareholder (his representative) whose rights to the shares are confirmed by a deposit account in depository, to such a proposal an except shall be attached from the account of deposit of shareholders in a depository registering the rights to shares mentioned above.

17.6. The proposals of questions for the agenda of the General Meeting of shareholders must contain formulation of every proposed question, and proposals of nominating the candidates must contain name of every proposed candidate and body, to which this candidate is nominating.

17.6.1. When candidates are nominated to the Board of Directors of the Company and Auditing Commission of the Company to a proposal on the agenda of a general meeting, may be attached a consent in written form, of the nominated candidate and information about the candidate, which is to be presented to the persons entitled to participate in the meeting, when preparing a general meeting.

17.7. The Board of Directors shall be obliged to consider the received proposals and come to a decision either to include or not to include them to the agenda of the general meeting of shareholders not later than 5 days after the expiration of the period, set by this Charter. The question submitted by a shareholder (shareholders) shall be included in the agenda of the general meeting of shareholders, similar as nominees shall be included into the ballot for the elections to the Board of Directors of the Company and the Audit Commission of the Company, except cases when:

shareholder (shareholders) fails to comply with established by this Charter dates for the giving the proposals of questions for the agenda of General Meeting of the shareholders;

shareholder (shareholders) own less than 2 (two) percent of voting shares of the Company;

the proposals do not comply with the requirements of Article 17, items 17.5, 17.5.2, 17.5.4., and 17.6 of this present Charter;

the question proposed for the including into the agenda of the General Meeting of the shareholders is not in its competence and (or) do not comply with the requirements of the Federal Law «On Joint-Stock Companies» and with other Laws of the Russian Federation.

17.8. A motivated decision of the Company Board of Directors about the refusal to include an issue in the agenda of the General Meeting of the shareholders or a nominee into the ballot for the elections for the proper body of the Company is to be sent to the shareholder (shareholders) who suggested the issue or proposed the nominee 3 days from its date the latest.

17.9. Board of Directors has no rights to make any changes in the formulations of the questions, which were suggested into the agenda of the General Meeting of the shareholders, and in formulations of decisions of such a questions.

17.10. Besides the questions, suggested by the shareholders for the agenda of the General Meeting of the shareholders, and also in cases of absence of such a suggestions, absence or insufficient quantity of candidates, suggested by the shareholders for the creating proper body, Board of Directors has right to include into the agenda of the General Meeting of the shareholders questions or candidates into the list of candidates at its discretion.

Article 18. Extraordinary General Meeting of Shareholders

18.1. The Extraordinary General Meeting of Shareholders shall be held under the decision of the Board of Directors of the Company on its own initiative, request of the Audit Commission of the Company, of the Auditor of the Company and also of a shareholder (shareholders) who owns not less than 10 (ten) percent of voting shares of the Company as of the date of the request.

18.2. The Extraordinary General Meeting of Shareholders, which was called by the request of the Auditing Committee of the Company, Auditor of the Company or the shareholders of the Company, owners of at least 10 (ten) percent of voting shares of the Company, must be held during 40 (forty) days from the moment of representing the request of conducting the Extraordinary General Meeting of Shareholders, with the exception of case of conducting the Extraordinary General Meeting of Shareholders, with a question of members of the Board of Directors election.

If the agenda proposed for the Extraordinary General Meeting of Shareholders contains the question about the members to the Board of Directors election, which must be elected by cumulative voting, in that case the General Meeting of Shareholders must be held during 70 (seventy) days from the date of representing the request of conducting the Extraordinary General Meeting of Shareholders.

In cases, when according to the requirements of Article 68 of Federal Law ««On Joint-Stock Companies»» Board of Directors must take a decision about the conducting the Extraordinary General Meeting of Shareholders for election the members of Board of Directors of the Company, which must be elected by cumulative voting, such a General Meeting of Shareholders must be held during 70 days from the moment of taking decision about its conducting by the Board of Directors of the Company.

18.3. The request about convening an extraordinary general meeting of shareholders shall contain issues to be included in the agenda of the meeting with explanation of the reasons those issues are proposed for discussion.

The request about convening extraordinary general meeting of shareholders can contain the formulations of the decisions on every of this questions, and a suggestion concerning the form of convening the Extraordinary General Meeting of Shareholders. In case, when the request about convening an extraordinary general meeting of shareholders contains the suggestion about nominating the candidates, such a suggestions are regulated by Article 53 of Federal Law ««On Joint-Stock Companies»», and items 17.5, 17.6 of present Charter.

The Board of Directors of the Company shall have no right to change the wording of the issues of the agenda of the extraordinary general meeting of shareholders being convened under the request of the Audit Commission of the Company, of the Auditor of the Company and also of a shareholder (shareholders) who owns not less than 10 (ten) percent of voting shares of the Company.

18.4. In case when the request about convening an extraordinary meeting of shareholders is initiated by a shareholder (shareholders) it shall contain shareholder's designation (name) and specification of the quantity, category (type) of shares owned by the shareholder.

Part of voting shares belonging to a shareholder (shareholders), demanding holding an extraordinary general meeting of shareholders is determined at the date of making such a demand.

The request about convening an extraordinary meeting of shareholders shall be signed by the person who intends to convene an extraordinary meeting of shareholders.

Demand to hold an extraordinary general meeting is considered as coming from a shareholder (shareholders) who (whose representatives) signed it.

18.4.1 Demand to hold an extraordinary general meeting may be done by :

-sending by mail to the address (location) of the permanently operating executive body of the Company included in the Unified State Register of legal persons, to the addresses listed in the Articles of Association

- delivery against signature to a person who is performing the functions of a sole executive body of the Company, Chairman of Board of Directors of the Company or other person authorized to accept written correspondence, addressed to the Company;

18.4.2 If the demand to hold an extraordinary general meeting is sent by an ordinary letter or any other ordinary item of mail, the date of making such a demand is considered the date indicated on the post stamp, confirming the date of receiving the item of mail and if the demand to hold an extraordinary general meeting of shareholders is sent by registered letter or any other registered mail item, the date of mail delivery to the indicated address and confirmed by a corresponding signature.

18.4.3 If the demand to hold an extraordinary general meeting is delivered against signature, the date of making such a demand is the date of delivery.

18.5. The decision by the Board of Directors of the Company about convening an extraordinary General Meeting of shareholders or refusal to do so shall be made not later than 5 (five) days from the date of the submittal of the request by the Audit Commission of the Company, of the Auditor of the Company and

of a shareholder (shareholders) who owns not less than 10 (ten) percent of voting shares of the Company.

The decision to refuse to convene an extraordinary General Meeting of the shareholders under the request of the Audit Commission of the Company, of the Auditor of the Company and of a shareholder (shareholders) who owns not less than 10 (ten) percent of voting shares of the Company can only be taken if:

the rules of submittal of the request for convening an extraordinary meeting provided by Article 55 of the Federal Law ««On Joint-Stock Companies»» are not complied with;

the shareholder (shareholders) who requests to convene an extraordinary General Meeting of shareholders does not own the required quantity of voting shares of the Company as stipulated in this Charter;

no issues proposed for the agenda of an extraordinary General Meeting of shareholders are within its competence;

the issue proposed to be included into the agenda does not comply with the provisions of the Federal Law ««On Joint-Stock Companies»» and other Laws of the Russian Federation.

18.6. The decision of the Board of Directors about convening an extraordinary General Meeting of shareholders of a motivated refusal to convene it shall be sent to the persons requesting its convention not later than three days from the date of the decision.

The decision to refuse to convene an extraordinary General Meeting by the Board of Directors can be appealed in court.

18.7. In case when during the stipulated period the Board of Directors fails to take the decision about convening an extraordinary General Meeting of shareholders or it is decided to refuse to convene it an extraordinary General Meeting of shareholders shall be convened by bodies and persons who want to hold it. The bodies and persons who want to hold the extraordinary General Meeting of shareholders possess with an authorities in accordance with Federal Law ««On Joint-Stock Companies»» and Charter of the Company, which are necessary for convening General Meeting of shareholders.

In this case the expenses for the preparation and holding the General Meeting of the shareholders can be reimbursed from the Company funds under the decision of the General Meeting of shareholders.

Article 19. The Board of Directors of the Company

19.1. The Board of Directors shall carry out general management of the Company activities, except for the issues that are assigned to exclusive competence of the General Meeting of shareholders.

19.2. The competence of the Board of Directors shall include the decision-making on issues of general management of Company activities, except for the issues that are ascribed exclusively to the competence of the General Meeting of the shareholders.

The following issues come exclusively within the terms of the Board of Directors competence:

- 1) determination of priority areas of the Company activities;
- 2) convention of annual and extraordinary General Meetings of the shareholders, except for the cases stipulated in item 18.7 of Article 18 of present Charter;
- 3) approval of the agenda of the General Meeting of the shareholders;
- 4) determination of the date of drawing the list of persons entitled to take part in the General Meeting and other issues coming under the competence of the Board of Directors of the Company that pertain to the preparation and holding the General Meetings of the shareholders;
- 5) increase of the authorized capital stock by way of placement of shares by the Company with the exception of the cases of placement of shares by closed subscription and cases of placement of shares by opened subscription of ordinary shares, which amounts more than 25 (twenty five) percent of placed before, in such cases the decision must be taken on General Meetings of the shareholders in accordance with item 11.11 of present Charter;
- 6) placement by the Company of bonds and other securities;
- 7) placement by the Company of bonds, convertible into shares and other securities, convertible into shares, in cases envisaged by present Charter, with the exception of cases of placement of bonds, convertible into shares and other securities, convertible into shares, when the decision must be taken by the General Meetings of the shareholders in accordance with item 11.11 of present Charter
- 8) assessment of the market value of the property, value of placement and redemption of securities;
- 9) purchase of the shares, bonds and other securities placed by the Company in cases envisaged by Federal Law ««On Joint-Stock Companies»» ;
- 10) appointment of the Executive Board officers and their early discharge under the orders of the General Director of the Company.
- 11) determination of Executive Board officers' fees and compensations;

- 12) appointment of candidates of Deputy General Directors of the Company;
- 13) advice on the size of the fees payable to the officers of the Audit Commission and of the Board of Directors, and determination of the size of the fee payable to the Auditor;
- 14) advice on the size of a dividend and the procedure of its payment;
- 15) utilization of the reserve and other funds of the Company;
- 16) authorization of internal paperwork of the Company with the exception of internal paperworks, which must be authorized by General Meetings of the shareholders, and other internal paperwork of the Company which must be authorized by the Executive Bodies of the Company in accordance with Charter;
- 17) setting up subsidiaries, representative offices of the Company and closing them up;
- 18) including in Charter changings, concerning setting up subsidiaries, representative offices of the Company and closing them up;
- 19) making decisions on setting up affiliate companies and on Company's participation in other organizations, except the case stipulated in subsrction 17 of paragraph 16.8 of the present Charter;
- 20) approval of major deals (including loan, credit, deposit, guarantee) or several correlated deals the subject of which is a property with a value from 25 (twenty five) up to 50 (fifty) percent of the balance sheet value of the Company assets as of the date of the decision on concluding such a deal in accordance with the order set by Article 79 of the Federal Law ««On Joint-Stock Companies»» and the deals for purchase or selling aircraft, long term leases of aircraft where the title for the aircraft is transferred to the lessee, depositing aircraft as a collateral for financing and refinancing credits;
- 21) approval of deals envisaged by Chapter XI of the Federal Law ««On Joint-Stock Companies»»
- 22) approval of registrar of the Company, conditions of agreement with registrar, and cancellation of an agreement;
- 23) approval of plan of operating, commercial and financial activities, budget, including capital expenditure costs of the Company;
- 24) suspending of authorities of General Director and his Deputies;
- 25) creation of temporary executive body of the Company until the extraordinary General Meeting of shareholders, in cases envisaged by item 21.7 of Charter
- 26) other issues stipulated by the Federal Law ««On Joint-Stock Companies»» and by this Charter

Issues that come exclusively under the competence of the Company Board of Directors shall not be referred to the consideration of the executive branches of the Company.

19.3. The members of the Board of Directors of the Company shall be elected by the annual General Meeting of shareholders in order set by Federal Law ««On Joint-Stock Companies»» and by Charter of the Company for the term until next Annual General Meeting of shareholders with a composition of no less than 9 (nine) people.

The quantity of members of the Board of Directors of the Company is defining by General Meeting of shareholders.

If General Meeting of shareholders was not conducted in terms, set by item 16.1 of Article 16 of present Charter, authorities of the Board of Directors of the Company stop, with the exception of authorities, concerning preparation, calling and conducting the General Meeting of shareholders.

Persons, elected into the Board of Directors of the Company, can be reelected unlimited quantity of times.

Only individuals can be a member of the Board of Directors of the Company. A member of the Board of Directors may be not a shareholder of the Company.

19.4. Elections of the members of the Board of Directors are carried out by a cumulative vote. The cumulative vote means that the number of votes corresponding to each voting share equals the total number of the members of the Board of Directors. A shareholder enjoys the right to cast all the votes belonging to the shares in shareholder's possession in favor of one nominee or distribute them among several nominees to the Board of Directors.

The nominees who won the largest number of votes shall be elected to the Board of Directors.

19.5 Officers of the Executive Board cannot compose more than one quarter of the Board of Directors. The General Director cannot be the Chairman of the Board of Directors at the same time.

The requirements to the persons being nominated to the Board of Directors shall be determined by the Statute of the Board of Directors of the Company.

19.6. The Chairman of the Board of Directors shall be elected by the members of the Board of Directors from among their number by a majority of

votes of the total number of the members of the Board of Directors of the Company.

The Board of Directors shall have the right to reelect its Chairman at any time by a majority of votes of the total number of the members of the Board of Directors.

The Chairman of the Board of Directors shall organize its activities, convene the meetings of the Board of Directors of the Company and preside at the meetings, provide for protocol recording, preside at the General Meeting of the shareholders.

In the absence of the Chairman of the Board of Directors his functions shall be carried out by one of the members of the Board of Directors of the Company as may be decided by the Board of Directors of the Company.

19.7. By the decision of the General Meeting of the shareholders of the Company the members of the Board of Directors during their term shall receive fees and (or) compensations of expenses connected to the carrying out their responsibilities as members of the Board of Directors of the Company.

19.8. The Board of Directors shall appoint the Executive Secretary who provides for keeping the protocols of the General Meetings of the shareholders and the meetings of the Board of Directors of the Company. Administration of the activities of the Board of Directors shall be carried out by the Department of the Board of Directors headed by the Executive Secretary of the Board of Directors. The Executive Secretary of the Board of Directors shall be responsible for preparation and holding meetings of the Board of Directors, administration of affairs of General Meetings of shareholders and the Board of Directors. Financing of the Department of the Board of Directors and events held by the Board of Directors shall be provided from the funds allocated for those ends by the Company.

Article 20. Meetings of the Board of Directors of the Company.

20.1. Meetings of the Board of Directors shall be called when necessary, but not rarer than once a month. The meetings of the Board of Directors shall be initiated by the Chairman of the Board of Directors of the Company on his own, under a request of any of the members of the Board of Directors, the Audit Commission or the Auditor of the Company, Executive Board, and shareholders who own no less than 10 (ten) percent of the voting shares of the Company.

20.2 A notification about the meeting of the Board of Directors with the agenda and materials about all the issues in the agenda shall be issued to all members of the Board of Directors not later than 7 (seven) days prior the meeting, and in case set by item 18.5 of present Charter – not later than 4 (four) days prior the meeting.

20.3 The Board of Directors may adopt decisions by absentee vote (polls). Written opinion of the member of the Board of Directors of the Company, who is absent on the Meeting of the Board of Directors, is taken into account by quorum defining and voting results on the agenda.

20.4. The quorum for meeting of the Board of Directors of the Company shall be a participation of no less than half of the total number of the elected members of the Board of Directors.

In case the number of the members of the Board of Directors becomes less than the quantity of defined quorum, Board of Directors must call for an extraordinary General Meeting of the shareholders to elect new members of the Board of Directors of the Company. The remaining members of the Board of Directors of the Company shall have the right to make a decision about convening such an extraordinary General Meeting of the shareholders only.

20.5. The decisions at the meetings of the Board of Directors shall be taken by the majority of votes of the members of the Board of Directors, who take part in a meeting, unless otherwise provided by the Charter and internal document which set an order of calling and convening of meetings of Board of Directors.

When adopting decisions each member of the Board of Directors shall have one vote at the Board of Directors meetings.

Assignment of the vote of one member of the Board of Directors of the Company to the other person, including other member of the Board of Directors of the Company is prohibited.

When decisions are adopted by the Board of Directors of the Company the vote of the Chairman of the Board of Directors shall have the casting vote in case of the parity of votes.

20.6. Protocols shall be recorded at the meetings of the Board of Directors of the Company.

The protocols of the Board of Directors of the Company shall be completed and sent not later than 3 (three) days after it was held.

The protocols shall contain: the place and the time of the meeting; attendance list; agenda of the meeting; issues put to vote and results of the vote; decisions made.

The protocols of the Board of Directors of the Company shall be signed by the member of the Board presiding at the meeting who is responsible for the accuracy of the protocols.

Article 21. Executive Bodies of the Company.

21.1. The management of the current activities of the Company shall be carried out by a chief executive officer of the Company – General Director and Collective executive body - Executive Board. Executive Bodies are accountable to the Board of Directors and to the General Meeting of Shareholders.

The General Director shall act also as the Chairman of the Executive Board.

The Executive Board of the Company shall be formed and its powers shall be terminated by the decision of the Board of Directors of the Company.

21.2. The General Director shall be appointed by the General Meeting of the shareholders for a five year term.

The General Meeting of the shareholders of the Company can terminate the powers of the General Director before the end of his term, discharging the conditions of the contract concluded with him.

According to the decision of the General Meeting of the shareholders of the Company the powers of the General Director of the Company can be assigned to a commercial organization (managing organization) under a contract or to an individual entrepreneur (manager). The decision about the assigning the powers of General Director of the Company to the managing organization is taken by the General meeting of shareholders only by the suggestion of the Board of Directors of the Company.

21.3. The powers of the executive bodies of the Company shall include all issues related to the managing of the current activities of the Company, except for the issues attributed to the exclusive competence of the General Meeting of the shareholders and the Board of Directors of the Company.

The executive bodies of the Companies shall be responsible for execution of the decisions adopted by the General Meeting of the shareholders and by the Board of Directors of the Company.

21.4. The Executive Board shall act in accordance with the Charter and the Executive Board Statute approved by the General Meeting of the shareholders. The powers of the Executive Board shall include the following issues:

- 1) decision-making on crucial issues of the current Company business activities;
- 2) working out recommendations to the General Director on issues of execution of commercial deals;
- 3) making decisions on obtaining credits by the Company;
- 4) drawing and submission to the Board of Directors of annual business plans of the Company, annual balance sheets, accounts of profits and losses and other reporting paperwork;
- 5) regularly informing the Board of Directors about the financial situation of the Company, about implementation of priority programs, deals and decisions that may considerably affect the status of affairs of the Company;
- 6) providing for organizational and technical support of the work of General Meeting of the shareholders, the Board of Directors, the Audit Commission of the Company;
- 7) submitting an estimate of expenditure for preparation and holding General Meetings of the shareholders to the Board of Directors of the Company for approval;
- 8) carrying out an analysis and summarizing the results of activities of separate structural subdivisions of the Company and working out recommendations on improving the operation of both structural subdivisions of the Company and Company in general;
- 9) adopting internal documents of the Company (except documents to be adopted by the General Meeting of the shareholders and by the Board of Directors of the Company);
- 10) making decisions on other issues related to financial and business activities of the Company prior submitting those issues to the review by the Board of Directors of the Company.

The quorum for meeting of the Executive Board of the Company shall be a participation of no less than half of the total number of the elected members of the Executive Board.

21.5. The General Director shall act on behalf of the Company without a proxy, namely:

- 1) implement the decisions of the General Meeting of the shareholders and the Board of Directors of the Company;

- 2) carry out the current management of the Company activities in accordance with the main tasks of the Company activities;
- 3) approve the establishment;
- 4) administer the property of the Company to provide for its current activities within the limits imposed by the legislation of the Russian Federation and by this present Charter;
- 5) represent the Company in all offices, enterprises and organizations in the Russian Federation and abroad including foreign states.
- 6) appoint his deputies, after their approval by the Board of Directors, distribute their responsibilities, determine their powers;
- 7) conclude labor contracts (contracts) with the employees of the Company, make the use of means of incentives and penalties;
- 8) issue orders and instructions obligatory for execution by all the employees of the Company;
- 9) represent the point of view of the Executive Board at the meetings of the Board of Directors;
- 10) being the Chairman of the Executive Board of the Company, administer its work, call for Executive Board and determine the agenda of each meeting;
- 11) offer to the Board of Directors personal composition of the Executive Board;
- 12) adopt decisions on major deals, or several correlating deals, connected with purchasing or estrangement or with ability of estrangement of property directly or indirectly, the subject of which is the property with a value in excess of 25 (twenty five) percent of the balance sheet value of the Company assets as of the date of the decision on the deal, if this question is not under the competence of other executive bodies of the Company; ensure execution of liabilities taken by the Company in deals;
- 13) issue proxies on behalf of the Company;
- 14) arrange book-keeping and reporting of the Company;
- 15) submit the annual report and other financial reports to the relevant organizations;
- 16) arrange publications in mass media of information required by the Federal Law ««On Joint-Stock Companies»» and by other legislative acts;
- 17) have the right to assign some of the powers of the General Director to the officers of the Company who carry out executive functions;
- 18) carry out any other actions required to achieve the goals of the Company and ensure its normal operation according to the current legislation of the Russian Federation and the present Charter, except

the functions assigned by the Federal Law ««On Joint-Stock Companies»» and by this present Charter to other administrative bodies of the Company.

- 19) appoint the list of appointments, liable to substitution under the competitive basis, and the order of substitution

21.6. The right and responsibilities of the General Director of the Company, members of the Executive board shall be provided in the agreements (contracts) concluded by the Company with each of them.

The agreement (contract) with the General Director shall be signed on behalf of the Company by the Chairman of the Board of Directors, with the members of the Executive Board – by the General Director. The agreements (contracts) shall be signed for the term of no more than 5 years.

The relations between the Company and the General director and the members of the Executive Board shall be regulated by the Russian Federation labor legislation to the extent where it does not contradict to the provisions of the Federal Law ««On Joint-Stock Companies»».

The General Director and members of the Executive Board can hold a plurality of offices only under the consent of the Board of Directors.

21.7. Board of Directors has right to take a decision concerning suspension of authorities of General Director, his deputies.

At the same time with the decision concerning suspension of authorities of General Director, the Board of Directors must take a decision about the creation of temporary chief executive body of the Company and about the conduction of the extraordinary general meeting of shareholders for solving a question about early suspension of authorities of General Director and about creation new chief executive body of the Company (director, general director) or about passing the authorities of General director to the managing organization or to the manager.

In case if General Director can not execute his duties, the Board of Directors has right to take a decision about the creation of temporary chief executive body of the Company and about the conduction of the extraordinary general meeting of shareholders for solving a question about early suspension of authorities of General Director and about creation new chief executive body of the Company (director, general director) or about passing the authorities of General director to the managing organization or to the manager.

21.8. Protocols of the meetings of the Executive Board shall be kept. The protocols of the meetings of the Executive Board shall be submitted to the

members of the Board of Directors, the Audit Commission, the Executive Board, the Auditor of the Company upon their request.

The meetings of the Executive Board of the Company shall be arranged by the General Director of the Company who shall sign all papers on behalf of the Company and protocols of the meeting of the Executive Board, shall act on behalf of the Company without proxy in accordance with the decisions of the Executive Board adopted within its powers.

Assignment of the vote of one member of the Executive Board of the Company to the other person, including other member of the Executive Board of the Company is prohibited.

Article 22. Responsibilities of the Members of the Board of Directors of the Company, the General Director, the Members of the Executive Board and persons interested in the execution of a transaction by the Company.

22.1. Members of the Board of Directors of the Company, General Director, temporary individual Executive Board and members of the Executive Board as equals managing organization or manager in carrying out their rights and duties must act in the interests of the Company, realize their rights and carry out their duties in relation to the Company reasonably and in good will.

22.2. Members of the Board of Directors of the Company, General Director, temporary individual Executive Board and members of the Executive Board as equals managing organization or manager shall be responsible to the Company for the losses caused by their wrongdoing (inactivity).

For this matter the members of the Board of Directors and the Executive Board of the Company who did not take part in the vote or voted against the motion that caused the damage to the Company shall not be considered liable.

22.3. When assessing the grounds and the scope of the responsibility of the members of the Board of Directors, the General Director, and members of the Executive Board, conditions of the business activity and other circumstances shall be taken into consideration.

22.4. If under the provisions of this Article there are several persons who hold the responsibility, they bear collective responsibility.

Representative of State or Municipal organizations in the Board of Directors hold the responsibility mentioned in present Article equally with other members of the Board of Directors.

22.5. A company or a shareholder possessing in the aggregate no less than one percent of the placed ordinary shares of the Company shall enjoy the right to appeal in court with a claim against a member of the Board of Directors, the General Director, Executive General Director, a member of the Executive Board for damages caused to the Company in the case stipulated in paragraph 22.2 of this Article.

22.6. A member of the Board of Directors, a person holding a position in other managing bodies of the Company, a shareholder (shareholders) possessing jointly with his/her affiliated person (persons) 20 (twenty) or more of voting shares of the Company and also persons, who have the right to give necessary directions for the Company, shall be considered interested persons in effecting a deal by the Company in case the said persons are spouses, parents, children, own brothers and stepbrothers, own sisters and stepsisters, adopters and adopted and all their affiliated persons:

are parties, advantegers of the proposed deal or take part in the deal as a person owner of profit, mediator or agent;

possess (each separately or in total) 20 (twenty) or more percent of voting shares (interests, stocks) of a legal entity that is a party, to the deal or participates in it as a person owner of profit, mediator or an agent;

hold a managing position in the bodies of a legal entity that is a party to the deal or participates in it as a mediator or an agent and also hold a position in managing bodies of the managing organization of such legal entity;

other cases, mentioned by Law.

22.7. A deal with interested persons involved shall be made in accordance with the requirements and the order specified in the Federal Law ««On Joint-Stock Companies»».

The persons referred to in the item 22.6 shall be denied the right to receive directly or indirectly any remuneration for exerting influence on the decision making by the Board of Directors, the General Director, the Executive Board of the Company during the discussions about the deal they are interested in.

22.8. Members of the Board of Directors and persons holding positions in the managing bodies of the Company during their term in this capacity shall be denied the right to establish or participate in enterprises that compete with the Company.

22.9. General Director of the company is liable for organization of the work and creating conditions in the Company to protect information, which is a state secret, and for violating limitations set by legislation concerning familiarization with information, which is a state secret.

Article 23. Control under Financial and Economic Activity

23.1. To audit financial and business activities of the Company the General Meeting of the shareholders according to this Charter shall elect the Audit Commission of the Company composed of no less than 5 (five) members for the term of 1 (one) year.

23.2. The powers and the operation procedure of the Audit Commission shall be provided in the Statute of the Audit Commission that shall be adopted by the General Meeting of shareholders of the Company.

23.3. The financial and business activities of the Company shall be subject to auditing as for the results of the Company activities for a year, and also at any time under the initiative of the Audit Commission, the decision of the General Meeting of shareholders, the Board of Directors of the Company and the claim of a shareholder (shareholders) possessing in aggregate no less than 10 (ten) percent of voting shares of the Company.

23.4. Under the request of the Audit Commission of the Company persons holding positions in the managing bodies of the Company shall be obliged to submit documentation on financial and business activities of the Company.

23.5. The Audit Commission shall have the right to make a request to convene an extraordinary General Meeting of shareholders.

23.6. Members of the Audit Commission cannot be at the same time members of the Board of Directors, and also cannot hold other positions in the managing bodies of the Company.

23.7 Shareholders - members of the Board of Directors or other shareholders - persons who have positions in Executive Bodies of the Company have no right to vote on the elections of the members of Audit Commission.

23.8. The Audit Commission shall issue a report on the results of the auditing financial and business activities of the Company that shall contain:

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

assessment of the activities of the Company during the period under review;

information about the facts of infractions of the procedure of book-keeping and submission of the accounting reports provided by the Russian Federation legislation, and of the legislation of the Russian Federation pertaining to financial and business activities.

23.9. The Auditor of the Company shall carry out the auditing of the financial and business activities of the Company pursuant to the legislation of the Russian Federation under a contract concluded with the Auditor.

23.10. The General Meeting of shareholders shall appoint the Auditor. The amount of the Auditor's fee shall be determined by the Board of Directors of the Company.

Article 24. Book-keeping and Financial Accounting of the Company.

24.1. The Company shall be obliged to keep books and submit financial reporting in the order provided by the Federal Law ««On Joint-Stock Companies»» and by other regulations of the Russian Federation.

24.2. The General Director of the Company shall be responsible for organization, condition and reliability of the book-keeping in the Company, timely submission of the annual report and other financial accounting to the relevant state bodies as well as information of the Company activities to be disclosed to the shareholders, creditors and mass media.

24.3. The reliability of the information contained in the annual report of the Company, the annual balance sheet, must be confirmed by the Audit Commission of the Company.

24.4 Prior the release by the Company of the documents indicated in this paragraph the Company shall be obliged to apply to the Auditor who has no proprietary interest in the Company to carry out annual auditing and confirmation of the annual financial accounting of the Company.

24.5. The annual report of the Company approved by the Audit Commission and the Auditor's confirmation shall be subject to a prior approval by the Board of Directors of the Company no later than 30 (thirty) days before the scheduled date of the annual General Meeting of shareholders.

Article 25. Filing Documents of the Company

25.1. The Company shall be obliged to file and keep the following documents:

- the Articles of the Company, amendments and addendums to the Articles registered in the established order, the Decision on the creation of the Company, the certificate of the State registration of the Company;
- documents proving Company's title for the property it has on its balance;
- internal documents of the Company;
- regulations of branches or representations of the Company;
- annual reports;
- book-keeping documents;
- protocols of the General Meetings of shareholders of the Company, meetings of the Board of Directors, the Audit Commission, and collective executive body of the Company (the Executive Board);
- voting bulletins and powers of attorney (copies of powers of attorney) for participation in Annual General Meeting of shareholders;
- independent valuers reports;
- list of the affiliated persons of the Company;
- list of the persons, with rights to participate in Annual General Meeting of shareholders, to receive dividends and other lists composing by the Company for realizing shareholders' rights according to the Federal Law ««On Joint-Stock Companies»»;
- reports of the Audit Commissions of the Company, the Auditor of the Company, State and municipal bodies of financial supervision;
- prospectus of the issue of shares of the Company, quarterly reports of the Company and other documents, keeping the information which must be published or must be opened by other manners in accordance with Federal Law ««On Joint-Stock Companies»» and other Federal Laws;

other documents stipulated by the Federal Law «On Joint-Stock Companies», by the Company Charter, internal regulations of the Company, resolutions of the General Meeting of shareholders of the Company, the Board of Directors and documents stipulated by the legislation of the Russian Federation.

25.2. The Company shall keep the documents specified in item 1 of this Article at the place of the location of its executive bodies in accordance with and during the period, which are established by the Federal body of executive authority on securities market.

25.3. The Company shall ensure that the shareholders have an access to the documents specified in paragraph 25.1. of Article 25 of this Charter. Shareholders with share of minimum 25 percents of voting shares have an access for the documents of book-keeping and protocols of the collective executive body of the Company.

25.4. Documents specified in paragraph 25.1. of Article 25 of this Charter, must be represented by the Company during the period of seven days from the day of producing such a request for aquatinting in the Company's office. Under the request of a shareholder the Company must supply him with copies of documents specified in this Charter. Fee for this copies can not increase the cost of producing this copies.

25.5. The Company shall be obliged to publish annually in the mass media accessible to all the shareholders of the Company:

annual report of the Company, balance sheet, account of profits and losses;

prospectus of the issue of shares in cases provided by the legislation of the Russian Federation;

announcement of the General Meeting of shareholders in the procedure specified in the Federal Law «On Joint-Stock Companies»;

other information to be published specified by the Federal body of executive authority on securities market.

The Company shall be obliged to publish the information in the volume and order established by the Federal body of executive authority on securities market in case of placement of bonds and securities of the Company.

Article 26. Reorganization and Liquidation of the Company

26.1. The Company may be voluntarily reorganized in the order established by the Federal Law ««On Joint-Stock Companies»».

Other grounds and the order of reorganization of the Company shall be provided in the Civil Code of the Russian Federation and by other Federal Laws.

26.2. The reorganization of the Company may be effectuated in the form of merger, accession, separation, division, and transformation.

Property forming of the Companies, creating by reorganization, realizes only at the expense of reorganizing Companies.

26.3. The company is considered as reorganized, excluding cases of reorganizations in the form of accession, from the moment of State registration of new created legal entities.

In the event of reorganization of the Company by way of accession to another company the first of them shall be considered reorganized from the date of making an entry concerning the termination of the activity of the acceding company by the State registration agency in the unified State Register of legal entities.

26.4. Not later than 30 (thirty) days from the date of the adoption of a decision about reorganization, and in case of reorganization in the form of merger or accession – from the date of adoption of a decision by last of Companies, the Company shall inform its creditors thereof in writing, and to publish in mass-media, intended for the publishing data about the state registration of legal entities, notice about the adoption of a decision. During 30 days from the date of sending them a notification or during 30 days from the date of publishing notification about adoption of a decision a creditor shall have the right to demand from the Company a termination or a fulfillment of obligations before the due time and reimbursement of losses.

The state registration of Companies, created by the reorganization and making an entry concerning the termination of the activity of the reorganized Companies realizes with presence of proofs of notification of creditors in the manner specified in this Article.

If the separation balance sheet does not allow identifying the legal successor of the Company being reorganized the newly established legal entities shall bear joint and several liabilities of the Company being reorganized before its creditors.

26.5. The Company may be liquidated voluntarily in the order established by the Civil Code of the Russian Federation with due regard of the requirements of the Federal Law «On Joint-Stock Companies» and this present Charter. The Company can be liquidated by a court decision on the grounds provided in the Civil Code of the Russian Federation.

The liquidation of the Company shall result in its termination without a transfer of its rights and liabilities to other persons in the order of succession.

26.6. In the event the voluntary liquidation of the Company the Board of Directors shall submit to the decision of the General Meeting of shareholders the issue regarding the liquidation and the appointment of the liquidation commission.

The General Meeting of shareholders of the Company shall adopt a decision regarding the liquidation of the Company and appoint the liquidation commission.

26.7. From the moment the liquidation commission is appointed all the powers of the management of the Company business shall be transferred to it. The liquidation commission shall represent the Company being liquidated in the court.

26.8. In case the State is a shareholder of the Company being liquidated an authorized representatives of the State shall be included into the liquidation commission.

26.9. The liquidation Commission shall publish in the mass media the information regarding the liquidation of the Company and the procedure and terms for making claims by creditors. The term for making claims by creditors can not be less than two months from the date of the publication of the announcement regarding the liquidation of the Company.

26.10. In the event that the Company has got no outstanding liabilities for the creditors as of the date of the decision regarding the liquidation of the Company its property shall be distributed among the shareholders.

26.11. The liquidation commission shall take measures to elicit creditors and to recover the receivables, and also notify the creditors about the liquidation of the Company in writing.

26.12. At the end of the term for creditors' claims the liquidation commission shall draw an interim liquidation balance sheet that shall contain the information about the composition of the property of the Company being liquidated, creditors' claims that have been made and about the results of their review. The interim liquidation balance sheet shall be approved by the General Meeting of shareholders under the consent of the agency that carried out the State registration of the Company being liquidated.

26.13. If the financial means of the Company being liquidated are insufficient to satisfy creditors' claims the liquidation commission shall undertake the sell off other assets of the Company through public auction in the order established for execution by court.

26.14. Sums of money payable by the Company to its creditors are paid by the liquidation commission in the sequence of priority established by the Civil Code in accordance with the interim liquidation balance sheet commencing from the date of its approval, except for the creditors of the fifth priority who are to be paid after a month from the date of the approval of the interim liquidation balance sheet.

26.15. Upon the settlement of accounts with creditors the liquidation commission shall make the liquidation balance sheet that is to be approved by the General Meeting of shareholders under the consent of the agency that carried out the State registration of the Company being liquidated.

26.16. The property of the Company being liquidated remaining after all the claims of creditors have been settled shall be distributed by the liquidation commission among the shareholders in the following sequence of priority:

payments for shares that are to be acquired shall be effected in the first turn;

payments of allocated but unpaid dividends for preferred shares and liquidation value of preferred shares shall be effected in the second turn;

distribution of the property of the Company being liquidated among the shareholders – holders of common and all kinds of preferred shares – is carried out in the third turn.

26.17. The distribution of the assets of each separate turn is done after the previous turn is fully completed. Payment by the Company of the liquidation value due for the preferred shares, defined by the Articles of the Company is effected after the payment of liquidation value, defined by the Articles of the

Company, for the preferred shares of preceding priority has been completed in full.

If the available property of the Company is insufficient to pay out the allocated but unpaid dividends and liquidation value to all shareholders – holders of preferred shares of the same type – the property is distributed among the shareholders – owners of the said type of shares proportionately to the quantity of shares of the said type they have in possession.

26.18. The liquidation of the Company is deemed completed and the Company – inexistent from the moment a relevant entry is made in the unified State Register of legal entities by the State registration agency.

26.19. In case of reorganization of the Company all documents (administrative, financial and business, and staff related, etc.) shall be transferred according to the existing rules to the enterprise – assignee.

In case there is no assignees the documents of permanent storage that have scientific or historic value shall be transferred to archive agencies.

Files relating to personnel (orders, personal records and cards, personal accounts, etc.) shall be transferred to the archives of the administrative district on which territory the Company is located. The transfer of the files and putting them in order shall be made by the labor and at the expense of the Company according to the requirements of the archive agencies.

26.20. During reorganization, winding-up of the Company or ceasing the work with information being a state secret, the company shall take measures to protect this information and its material carriers. At this, carriers of the information being a state secret, are destroyed in accordance with the established procedure, placed in the archives for storage or transferred to:

- successor of the Company if the successor is authorized to carry out work using information listed above
- appropriate government body.

Article 27. Closing Provisions

27.1. Amendments and addendums to the Charter of the Company as well as a new revision of the Charter shall be subject to the State registration under the procedure established by the legislation of the Russian Federation.

27.2. Amendments and addendums to the Charter of the Company as well as a new revision of the Charter shall come into force for third parties from the moment they are registered by the State, and in cases provided by the Russian Federation legislation – from the moment the agency responsible for the State registration is formally notified of them.