

«APPROVED»
by Resolution of the General Meeting of the Founders
of JSC “UAC”
Minutes No. 1 dated November 15, 2006
Chairman of the Meeting ___ /Yu.M. Medvedev/

CHARTER
of the Joint Stock Company
“UNITED AIRCRAFT CORPORATION”

Moscow, Russian Federation
2006

Article 1. General

1.1. The Joint Stock Company “United Aircraft Corporation” (“**Company**”) is established pursuant to Federal Law dated December 26, 1995 No. 208-FZ *On Joint Stock Companies* (“**Federal Law On Joint Stock Companies**”), Decree of the Russian Federation President dated February 20, 2006 No. 140 *On Joint Stock Company “United Aircraft Corporation”* and Resolution of the Russian Federation Government dated April 20, 2006 No. 224 *On Measures to Implement Decree of the Russian Federation President dated February 20, No. 140 On Open Joint Company “United Aircraft Corporation”*.

1.2. The Company is established for unlimited period.

Article 2. Corporate Name and Location of the Company

2.1. The full corporate name of the Company is:

in Russian – Открытое акционерное общество «Объединенная авиастроительная корпорация»;

in English – Joint Stock Company “United Aircraft Corporation”.

2.2. The short name of the Company’s corporate name is:

in Russian – ОАО «ОАК»;

in English – JSC “UAC”

2.3. The Company is located at the address: city of Moscow, 101000, Ulansky per., 22, bldg. 1.

Article 3. Legal Status of the Company

3.1. The Company shall be a legal entity, possess civil rights and bear responsibilities required for carrying out activities of any types not prohibited by the federal laws and determined by the Charter.

Any special types of activities, which list is defined by the federal laws, may be carried out by the Company only on the basis of a special permit (license).

3.2. The Company shall have a round seal bearing its full corporate name in Russian and its location, stamps and forms bearing its full and/or short corporate name, its own emblem specifying its location as well as may have its own trade marks (service marks) registered as provided by law and other visual identifiers.

Along with obligatory details provided for by law, Company seals may specify the designated use thereof.

3.3. The Company shall own a separate property registered on its independent balance sheet.

3.4. The Company may on its own behalf acquire and sell any property and personal non-property rights, sue and be sued.

3.5. The Company shall be entitled to open any bank accounts in the prescribed manner within the territory of the Russian Federation and outside it.

3.6. The Company shall be held liable for its obligations by all the property owned by it. The Company shall not be held liable for the obligations of its shareholders. The Company shareholders shall not be held liable for the Company’s obligations and shall bear a risk of losses connected with Company’s activities within the value of the shares owned by them except as otherwise provided by law.

3.7. The Company may establish or participate in establishing any legal entities in the Russian Federation and outside it as well as acquire stakes (shares, interests) in legal entities.

3.8. The Company may have subsidiary and affiliated companies (“**SAC**”). The Company shall not be held liable for the obligations of SAC, and SAC shall not be held liable for the Company’s obligations except as otherwise provided by law.

3.9. The Company may establish in the prescribed manner in the Russian Federation and abroad its branches and representative offices which shall carry out their activities on the basis of the regulations thereof. Branches and representative offices shall not be legal entities, their heads shall be appointed by the Management Board of the Company (“**Management Board**”) upon presentation by the sole executive body of the Company (“**President**”) and act on behalf of the Company in accordance with the powers of attorney issued by the President.

3.10. The Company shall independently plan and carry out its activities, determine labor remuneration for its employees, prices for its products and services rendered, procedure and form of settlement under transactions, unless otherwise is provided by law.

3.11. The Company may join any unions, associations, interindustry, regional and other organizations on a voluntary basis in the manner and on the terms prescribed by the laws of the Russian Federation and the Charter.

Article 4. Objects, Subject and Types of Company’s Activities

4.1. The objects for which the Company is established are:

4.1.1. To integrate manufacturers of aircraft and aircraft equipment into the united complex and perform centralized management thereof;

4.1.2. To elaborate and implement the general strategy for the development of the integrated aircraft engineering complex;

4.1.3. To maintain and develop the scientific and production potential of the aircraft engineering complex of the Russian Federation;

4.1.4. To attract and centralize intellectual, industrial and financial resources for implementing long-term programs in development of aircraft and aircraft equipment and raising of the competitive ability of aircraft and aircraft equipment manufactured by SAC;

4.1.5. To gain profit, including in the form of dividends (a part of profit), on SAC shares (stakes, interests) owned by the Company.

4.2. The subject of the Company’s activities is to coordinate the SAC activities, carry out the corresponding united industrial and technical, financial, marketing, social and human resources policy of SAC through exercising its rights of SAC shareholder (member) pursuant to the laws being in force and SAC constituent documents.

4.3. The Company shall inter alia:

- 1) develop aircraft and aircraft equipment including any dual-use aircraft and aircraft equipment;
- 2) manufacture aircraft and aircraft equipment including any dual-use aircraft and aircraft equipment;
- 3) sell aircraft and aircraft equipment including dual-use aircraft and aircraft equipment;
- 4) support operation of aircraft and aircraft equipment including any dual-use aircraft and aircraft equipment;
- 5) provide warranty maintenance and after-sales service of aircraft and aircraft equipment including any dual-use aircraft and aircraft equipment;
- 6) modernize aircraft and aircraft equipment including any dual-use aircraft and aircraft equipment;
- 7) repair aircraft and aircraft equipment including any dual-use aircraft and aircraft equipment;
- 8) utilize aircraft and aircraft equipment including any dual-use aircraft and aircraft equipment;
- 9) introduce new processes and developments in the aircraft engineering;
- 10) test aircraft and aircraft equipment including any dual-use aircraft and aircraft equipment;
- 11) develop weapons and military equipment;

- 12) manufacture weapons and military equipment;
 - 13) modernize weapons and military equipment;
 - 14) repair weapons and military equipment;
 - 15) utilize weapons and military equipment;
 - 16) trade in weapons and military equipment;
 - 17) carry out activities relating to development and/or manufacture of confidential information protection facilities;
 - 18) carry out activities relating to technical protection of confidential information;
 - 19) carry out activities relating maintenance of aircraft;
 - 20) carry out activities relating to repair of aircraft;
 - 21) carry out activities relating to provision of aircraft safety and security;
 - 22) carry out training activities (training and re-training of personnel, refresher training);
 - 23) carry out activities relating to the performance of any works involving use of information considered as state secret, counteracting any foreign technical reconnaissance agencies and provide technical protection of information considered as state secret;
 - 24) render consulting, informative, analytical, managerial, intermediary and other services.
- 4.4. The Company shall be also entitled to carry out any other activities not prohibited by the laws of the Russian Federation.

Article 5. Authorized Capital

- 5.1. The Authorized Capital of the Company amounts to 96,724,000,000 (ninety six billion seven hundred twenty four million) rubles, divided into 96,724,000,000 (ninety six billion seven hundred twenty four million) registered ordinary shares of 1 (one) ruble each.
- 5.2. In addition to the shares specified in Clause 5.1. of the Charter the Company shall be entitled to issue 24,181,000,000 (twenty four billion one hundred eighty one million) registered ordinary shares of 1 (one) ruble each (declared shares).
- 5.3. Any additional shares may be issued by the Company only within the limit of the declared shares specified in Clause 5.2 of the Charter.
- 5.4. Additional shares shall be issued by the Company, provided only that they are paid up in full.
- 5.5. Shares in the Company may be paid up by cash, securities, other assets, property or other rights capable of being valued in money terms.
- 5.6. Where shares are paid up by non-cash funds, an independent appraiser shall be attracted to determine the market value of the property contributed for payment of shares, unless otherwise is provided for by the Federal Law *On Joint Stock Companies*.
- 5.7. Where additional shares are paid up by non-cash funds, the money value of the property contributed for payment of shares shall be determined by the Board of Directors of the Company (“**Board of Directors**”) pursuant to Article 77 of the Federal Law *On Joint Stock Companies*.
- 5.8. If necessary, the Authorized Capital of the Company may:
- 1) be increased by raising the par value of shares or floating additional shares;
 - 2) be reduced by decreasing the par value of shares or total number thereof including by acquisition and cancellation by the Company of a part of the shares issued earlier.
- 5.9. A resolution to reduce the authorized capital and to make appropriate changes in the Charter shall be passed by the General Meeting of Company Shareholders (“**General Meeting of Shareholders**”) in compliance with the requirements of Articles 29 and 30 of the Federal Law *On Joint Stock Companies*.

5.10. The Company may acquire its shares issued earlier by resolution of the Board of Directors. The shares acquired by the Company shall give no right to vote, be disregarded for vote counting purposes and bring no dividends. Such shares shall be sold at their market price no later than one year of the date of the acquisition thereof. Otherwise the General Meeting of Shareholders shall pass a resolution to reduce the authorized capital of the Company by canceling the mentioned shares.

Article 6. Funds and Net Assets

6.1. The Company shall establish a reserve fund at a rate of 5 (five) percent of the authorized capital, which shall be formed by obligatory annual deductions at a rate of 10 (ten) percent of the Company's net profit, until the fund reaches the amount specified above. The reserve fund shall be used to cover any Company's losses and repay bonds and buy out Company shares, if other resources are not available. The reserve fund may not be used for any other purposes.

6.2. The Company shall establish a development fund to be formed by annual deductions from the Company's net profit in accordance with resolutions of the General Meeting of Shareholders in the order determined by the Board of Directors.

6.3. The value of the Company's net assets shall be estimated on the basis of the accounting data as provided for by the Ministry of Finance of the Russian Federation and federal executive body supervising the securities market.

6.4. In case that at the end of the second and each subsequent financial year of the Company in accordance with the annual balance sheet submitted for approval to the General Meeting of Shareholders or auditor annual report the Company's net assets value is less than its authorized capital, the Company shall declare reduction of its authorized capital to an amount not exceeding the value of its net assets.

6.5. In case that at the end of the second and each subsequent financial year of the Company in accordance with the annual balance sheet submitted for approval to the General Meeting of Shareholders or auditor annual report the Company's net assets value is less than the minimum amount of authorized capital prescribed by the Federal Law *On Joint Stock Companies*, the Company shall pass a resolution on its liquidation.

Article 7. Rights and Obligations of the Shareholders

7.1. The shareholders owning registered ordinary shares in the Company shall have the right:

- 1) To participate in the General Meeting of Shareholders and cast a vote on any matters within the competence of the meeting;
- 2) To receive dividends as provided by the Russian Federation laws being in force and the Charter;
- 3) To receive a part of the Company's property remaining after making settlements with its creditors in case of the Company liquidation;
- 4) To participate in management of the Company activities as provided by the Russian Federation laws being in force and the Charter;
- 5) To receive information about Company's activities and inspect its accounting records and financial statements, other documents as provided by the Russian Federation laws being in force and the Charter;
- 6) To alienate shares (a fraction of a share) in favor of one or more shareholders and (or) the Company as well as other legal entities or individuals without consent of other shareholders and the Company;

as well as have other rights provided for by the Russian Federation laws and the Charter.

7.2. The Company Shareholders shall:

- 1) Observe the provisions of the Charter and other internal documents of the Company;
- 2) Perform duly the obligations provided for by the Russian Federation laws being in force;
- 3) Disclose no confidential information relating to the Company's activities;
- 4) Pay up shares in the prescribed order, amount and methods stipulated by the Charter and resolutions on issue of shares in the Company;
- 5) Notify the Company of their interest in making a transaction, where it is required by the Russian Federation laws being in force;
- 6) Notify timely the keeper of the register of the owners of the registered securities of the Company ("**Registrar**") about any changes in their data.

Article 8. Register of Shareholders

8.1. The Company shall provide the keeping of the register of Company shareholders by a professional securities market participant engaged in keeping registers of registered securities owners.

The Board of Directors shall resolve on selection of such Registrar in accordance with the international general practice with taking into account the compliance of its operations regulations with the standards and rules of keeping a register of a joint stock company members approved by the federal executive body supervising the securities market.

8.2. The register of the Company shareholders shall be kept in accordance with the Russian Federation laws by using an electronic data base which will provide identification of the registered persons, verification of their rights to the securities kept on the personal accounts of the registered persons and make it possible to receive and send information to the registered persons.

8.3. The Company shall provide the custody of the shareholders register. The register shall be kept at the location of the Registrar.

Article 9. Dividends

9.1. The Company shall be entitled to pass a resolution on (declare) payment of dividends on issued shares in accordance with the performance results of the first quarter, six months, nine months of the financial year and (or) the performance results of the financial year, unless otherwise is provided for by the Federal Law *On Joint Stock Companies*. A decision to pay (declare) dividends for the performance results of the first quarter, six months, nine months of the financial year may be taken within three months of the end of the corresponding period.

9.2. Dividends shall be paid out of the Company's net profit.

9.3. A resolution on payment (declaration) of dividends, including a resolution on dividend amount and form of payment thereof on the shares of each class shall be passed by the General Meeting of Shareholders. A dividend amount shall not be more than the amount recommended by the Board of Directors. The dividends, the resolution on which payment has been passed, shall be paid out to the shareholders within the period not exceeding 60 (sixty) days of the day of passing the dividend payment resolution.

9.4. The Company may not decide to pay (declare) dividends on shares and pay out the same in the instances stipulated by clause 43 of the Federal Law *On Joint Stock Companies*.

Article 10. General Meeting of Shareholders

- 10.1. The highest management body of the Company shall be the General Meeting of Shareholders.
- 10.2. The Company shall hold annually an annual General Meeting of Shareholders no earlier than 2 (two) months and no later than 6 (six) months of the end of the financial year.
- The annual General Meeting of Shareholders shall decide matters relating to election of the Board of Directors, internal auditing commission of the Company (“**Internal Auditing Commission**”), approval of the Company auditor, approval of annual reports, annual financial statements including profit and loss statements (profit and loss accounts) of the Company as well as distribution of profit (including payment (declaration) of dividends except any profit distributed as dividends in accordance with the performance results of the first quarter, six months, nine months of the financial year) and losses of the Company in accordance with the performance results of the financial year.
- The annual General Meeting of Shareholders may decide any other matters referred to the competence of the General Meeting of Shareholders.
- 10.3. A General Meeting of Shareholders shall not be competent (have a quorum), unless the shareholders holding jointly more than a half of votes of the issued voting shares in the Company have participated in the meeting.
- 10.4. Should no quorum be secured for holding an annual General Meeting of Shareholders, a second General Meeting of Shareholders with the same agenda shall be held.
- 10.5. A notice of the second General Meeting shall be given as required by the Federal Law *On Joint Stock Companies* and the Charter.
- 10.6. The second General Meeting of Shareholders shall not be competent (have a quorum), unless the shareholders holding jointly no less than 30 (thirty) percent of votes of the issued voting shares in the Company have participated in the meeting.
- 10.7. In case of the second General Meeting of Shareholders being held less than 40 (forty) days of the abortive General Meeting of Shareholders the persons entitled to participate in the General Meeting of Shareholders shall be determined on the basis of the list of the persons having been entitled to participate in the abortive General Meeting of Shareholders.
- 10.8. Any General Meeting of Shareholders held in addition to the annual General Meeting of Shareholders shall be extraordinary.
- 10.9. An extraordinary General Meeting of Shareholders shall be held by resolution of the Board of Directors on the basis of:
- 1) the initiative of the Board of Directors;
 - 2) requisition of the Internal Auditing Commission;
 - 3) requisition of the Company auditor;
 - 4) requisition of the shareholders (shareholder) holding jointly no less than 10 (ten) percent of the voting shares in the Company as on the date of the requisition submission.
- 10.10. An extraordinary General Meeting of Shareholders shall be convened and held in the order and time-limit stipulated by article 55 of the Federal Law *On Joint Stock Companies*.
- 10.11. Should no quorum be secured for holding an extraordinary General Meeting of Shareholders, a second General Meeting of Shareholders with the same agenda may be held. A notice of the second General Meeting of Shareholders shall be given as required by the Federal law *On Joint Stock Companies* and the Charter .

Article 11. Competence of the General Meeting of Shareholders

- 11.1 The General Meeting of Shareholders shall have the authority:
- 1) To make alterations in and additions to the Charter and approve a new version of the Charter;
 - 2) To reorganize the Company;
 - 3) To wind up the Company, appoint a liquidation commission and approve intermediate and final

liquidation balance sheets;

- 4) To elect members of the Board of Directors and terminate early their powers;
- 5) To determine the number, par value, class (type) of declared shares and rights granted by such shares;
- 6) To increase the Company's authorized capital by increasing the par value of shares;
- 7) To increase the Company's authorized capital by floating additional shares through private offer or public offer of ordinary shares in the Company constituting more than 25 (twenty five) percent of the ordinary shares issued earlier;
- 8) To place through public offer any convertible-into-ordinary shares securities which can be converted into ordinary shares, amounting to more than 25 (twenty five) percent of the ordinary shares issued earlier;
- 9) To reduce the authorized capital of the Company by decreasing the par value of shares, by Company's acquiring some outstanding shares to reduce the total number thereof or by canceling the shares acquired or bought out by the Company;
- 10) To elect members of the Internal Auditing Commission and terminate early their powers;
- 11) To approve the Company auditor;
- 12) To pay out (declare) dividends on the basis of the performance results of the first quarter, six years, nine months of the financial year;
- 13) To approve annual reports, annual financial statements including profit and loss statements (profit and loss accounts) of the Company and distribute profit (among other things, pay (declare) dividends except any profit distributed as dividends in accordance with the performance results of the first quarter, six months, nine months of the financial year) and losses of the Company in accordance with the performance results of the financial year ;
- 14) To determine the proceedings of the General Meeting of Shareholders;
- 15) To elect members of the counting board and terminate early their powers;
- 16) To split and consolidate shares in the Company;
- 17) To pass resolutions on approval of related party transactions in the instances provided for by the Federal Law *On Joint Stock Companies* and the Charter;
- 18) To pass resolutions on approval of large-scale transactions in the instances provided for by the Federal Law *On Joint Stock Companies* and the Charter;
- 19) To resolve on Company's acquisition of issued shares in the instances provided for by the Federal Law *On Joint Stock Companies*;
- 20) To pass, at the suggestion of the Board of Directors, a resolution on delegation of the powers of the sole executive body (President) on a contract basis to a commercial organization (management company) or individual businessman (manager);
- 21) To pass a resolution on Company's participation in holding companies, financial-industrial groups, associations and other unions of commercial entities;
- 22) To approve internal documents regulating activities of the Company's bodies;
- 23) To pass a resolution on payment of a remuneration to the members of the Board of Directors and (or) compensation for their expenses connected with performance by them of the functions of the members of the Board of Directors and fix an amount of such remunerations and compensations;
- 24) To resolve any other matters provided for by the Federal Law *On Joint Stock Companies* and the Charter pursuant to the Federal Law *On Joint Stock Companies*.

11.2. Any matters being within the competence of the General Meeting of Shareholders may not be referred to the Board of Directors and executive bodies of the Company.

Article 12. Resolutions of the General Meeting of Shareholders

12.1. Resolutions on the matters specified in Sub-Clauses 1-3 and 5, 7, 8, 19 of Clause 11.1 of the Charter shall be passed at the General Meeting of Shareholders by a three thirds majority of votes of the shareholders-owners of voting shares in the Company participating in the General Meeting of Shareholders.

12.2. Resolutions of the General Meeting of Shareholders on any other matters shall be passed by a majority of votes of the shareholders-owners of voting shares in the Company participating in the General Meeting of Shareholders.

12.3. Resolutions on the matters specified in Sub-Clauses 2, 6, 7, 16-22 of Clause 11.1 of the Charter shall be passed by the General Meeting of Shareholders at the suggestion of the Board of Directors only.

12.4. The General Meeting of Shareholders may not pass resolutions on the matters not included into the agenda and shall not make any changes in the agenda.

**Article 13. Proposing Items for the Agenda
of a General Meeting of Shareholders.
Information on a General Meeting of Shareholders**

13.1. An agenda of a General Meeting of Shareholders shall be determined by the Board of Directors during the period of preparation for holding the General Meeting of Shareholders.

13.2. Shareholders (shareholder) owning jointly no less than 2 (two) percent of voting shares in the Company, shall be entitled to put items on the agenda and nominate candidates for election to the Board of Directors, Internal Auditing Commission and counting board of the Company, whose number shall not exceed the quantitative composition of the corresponding body. Such motions are to be received by the Company no later than 60 (sixty) days after the end of the financial year.

If the Company holds an extraordinary General Meeting of Shareholders, which agenda includes election of members of the Board of Directors, shareholders (shareholder) owning jointly no less than 2 (two) percent of voting shares in the Company shall be entitled to nominate, no later than 30 (thirty) days prior to the date of holding such extraordinary General Meeting of Shareholders, candidates for election to the Board of Directors, whose number shall not exceed the quantitative composition of the corresponding body set as on the date of the nomination of the candidates.

13.3. In addition to the items proposed by shareholders to be put on the agenda or the General Meeting of Shareholders and in case of absence of such motions, absence or insufficient number of candidates for formation of the corresponding body, the Board of Directors shall be entitled to put items on the agenda of the General Meeting of Shareholders or candidates on the list of candidates at its own discretion.

13.4. The Board of Directors shall not be permitted to make any alterations in the wording of the items proposed to be put on the agenda of the General Meeting of Shareholders and wording of the resolutions on such items.

13.5. A written notice of a General Meeting of Shareholders shall be sent to each person specified on the list of the persons entitled to participate in the General Meeting of Shareholders (by registered letter with return receipt requested or by courier service with return receipt requested) or delivered personally to such person (or authorized representative of such person) against signature, and additionally be published in the organs chosen by the Board of Directors and on the official Internet-site of the Company no later than 30 (thirty) days prior to the date of the holding of such meeting, and in case of a notice of the General Meeting of Shareholders, which agenda includes a Company reorganization item – no later than 40 (forty) days prior to the date of the holding of such meeting. If the proposed agenda of an extraordinary General Meeting of Shareholders provides for election of members of the Board of Directors, a notice of the extraordinary General Meeting of

Shareholders shall be given no later than 60 (sixty) days prior to the date of the holding thereof.

13.6. The information (materials) specified in article 52 of the Federal Law *On Joint Stock Companies* shall be available, for 30 (thirty) days or in case of the General Meeting of Shareholders, which agenda provides for reorganization of the Company, for 40 (forty) days until the date of the holding of the General Meeting of Shareholders, to the shareholders at the office of the Company as well as at the places, which addresses are specified in the notice of the General Meeting of Shareholders. At request of the shareholders the Company shall be bound to present to them copies of the specified documents within 2 (two) business days.

Article 14. General Meeting of Shareholders. Minutes of the General Meeting of Shareholders

14.1. Shareholders shall participate in the General Meeting of Shareholders personally or by proxy.

14.2. A proxy of a shareholder at the General Meeting of Shareholders shall act in accordance with the powers based on the instructions of the federal laws and acts of the authorized state bodies or bodies of the local government or a power of attorney made in writing. A power of attorney to vote shall be made as required by Clauses 4 and 5 of article 185 of the Civil Code of the Russian Federation or certified by notary.

14.3. The General Meeting of Shareholders shall be presided by the Chairman of the Board of Directors. If the Chairman of the Board of Directors is absent from the General Meeting of Shareholders, the meeting shall be presided by one of the members of the Board of Directors by decision of the Board of Directors. The presiding person at the General Meeting of Shareholders shall appoint the secretary of the General Meeting of Shareholders (“**Secretary of the Meeting**”).

14.4. Voting at the General Meeting of Shareholders shall be carried out on the principle of “one voting share in the Company – one vote”, unless cumulative voting is held in the instances provided for by the Federal Law *On Joint Stock Companies* and the Charter.

14.5. A General Meeting of Shareholders may be held in the form of meeting (joint presence) or by absentee voting. Voting at the General Meeting of Shareholders shall be carried out by ballot-papers. The General Meeting of Shareholders, which agenda provides for election of members of the Board of Directors, Internal Auditing Commission and approval of the Company auditor or contains items relating to approval of annual reports, annual financial statements, distribution of profit (including payment (declaration) of dividends except any profit distributed as dividends in accordance with the performance results of the first quarter, six months, nine months of the financial year) and losses of the Company in accordance with the performance results of the financial year, may not be held by absentee voting.

14.6. In case that a General Meeting of Shareholders is held in the form of meeting (joint presence), a ballot-paper shall delivered against signature to each person specified on the list of the persons entitled to participate in the General Meeting of Shareholders (to its proxy), registered for participation in the General Meeting of Shareholders, or sent to each person, specified on the list of the persons entitled to participate in the General Meeting of Shareholders by registered letter with return receipt requested or by courier service with return receipt requested. Only votes of the shareholders registered for participation in the General Meeting of Shareholders and votes represented by ballot-papers received by the Company no later than 2 (two) days prior to the date of the holding of the General Meeting of Shareholders shall be counted up for the purposes of determining the quorum and summing up the vote results.

14.7. If a General Meeting of Shareholders is held by absentee voting, the Company shall send ballot-papers by registered letter with return receipt requested or by courier service with return receipt requested or delivered against signature to all persons entitled to participate in the General Meeting of Shareholders no later than 20 (twenty) days prior to the holding of the General Meeting of Shareholders. Only votes represented by ballot-papers received by the Company no later than the

expiry date of receipt of ballot-papers shall be counted up for the purposes of determining the quorum and summing up the vote results.

14.8. The form and text of a ballot-paper shall be approved by the Board of Directors as required by the laws being in force. At request of a shareholder a ballot-paper may be presented to such shareholder at the office of the Company.

14.9. On the basis of the vote results the counting board shall make a record of the vote results signed by the members of the counting board or person performing its functions. A record of the vote results shall be made no later than 15 (fifteen) days of the closing of the General Meeting of Shareholders or expiry date of receipt of ballot-papers, if the meeting is held by absentee voting. After making the record of vote results and signing the minutes of the General Meeting of Shareholders the ballot-papers shall be sealed by the counting board or the person performing its functions and surrendered for custody to the Company's archive department. The vote results record shall be attached to the minutes of the General Meeting of Shareholders.

14.10. The resolutions passed by the General Meeting of Shareholders and vote results shall be announced at the General Meeting of Shareholders, at which the voting was held, or be advised, no later than 10 (ten) days of the making of the vote results record, in the form of vote results report to the persons, included on the list of the persons entitled to participate in the General Meeting of Shareholders, in the order prescribed for notification of a General Meeting of Shareholders.

Article 15. Board of Directors

15.1. The Board of Directors shall be the management body of the Company which shall carry out general management of the Company pursuant to the Federal Law *On Joint Stock Companies* and the Charter except any matters being within the competence of the General Meeting of Shareholders.

15.2. By resolution of the General Meeting of Shareholders the members of the Board of Directors may be paid a remuneration and (or) compensated for their expenses connected with performance by them of the functions of the members of the Board of Directors during the period of the performance by them of their responsibilities. The amounts of such remuneration and compensations shall be established by resolution of the General Meeting of Shareholders.

15.3. Members of the Board of Directors shall be elected at the General Meeting of Shareholders by cumulative voting as provided by the Federal Law *On Joint Stock Companies* and the Charter for a period up to the next annual General Meeting of Shareholders.

The Board of Directors shall be formed on the basis of the necessity of participation of representatives of the shareholders and independent directors in it.

For the purposes of the Charter a member (candidate member) of the Board of Directors shall be considered to be an independent director, unless such director:

- 1) is an officer or employee of the Company at the time of his election and has been an officer or employee of the Company for 1 (one) year proceeding the election;
- 2) is an officer of any other business company, in which any of the officers of such company is a member of the committee of directors for human resources and remunerations;
- 3) is a spouse, parent, son or daughter, brother or sister of any officer of the Company (officer of the Company's management organization);
- 4) is an affiliated person of the Company except a member of the Board of Directors;
- 5) is a party to any covenant with the Company, under which terms such director may acquire property (receive money), which value amounts to 10 and more percent of his total annual income except his remuneration for the participation in the activities of the Board of Directors;
- 6) is a representative of the state, that is the person which has been elected to the Board of Directors from among the candidates nominated by the Russian Federation or any constituent entity of the Russian Federation, provided that such member of the Board of Directors must vote on the basis of written directives (instructions and etc.) of the Russian Federation or constituent entity of the Russian

Federation.

The above mentioned independence criteria shall be disregarded for the purposes of approving a related party transaction pursuant to the Federal Law *On Joint Stock Companies*.

15.4. Should the annual General Meeting be not held within the time-limit established by Clause 10.2 of the Charter, the powers of the Board of Directors shall be terminated except the powers to prepare, convene and hold an annual General Meeting of Shareholders.

Should the number of the members of the Board of Directors becomes for any reasons less than the quantity constituting the quorum for holding a meeting of the Board of Directors established by the Charter, then the powers of the Board of Directors shall be terminated except the powers to prepare, convene and hold a General Meeting of Shareholders.

15.5. The Board of Directors shall be elected by the General Meeting of Shareholders to the number of 14 (fourteen) members.

15.6. The persons elected to the Board of Directors may be re-elected without any limit as to re-election times.

15.7. The General Meeting of Shareholders may terminate early the powers of the members of the Board of Directors at any time. A resolution of the General Meeting of Shareholders on early termination of the powers may be passed only in relation to all the members of the Board of Directors. If the powers of all the members of the Board of Directors are terminated early and the extraordinary General Meeting of Shareholder fails to elect members of the Board of Directors, the powers of the Board of Directors shall be terminated except the powers to prepare, convene and hold a General Meeting of Shareholders.

The powers of a member of the Board of Directors applying for retirement shall be terminated of the time of receipt of the retirement application by the Company.

15.8. Only an individual may be a member of the Board of Directors. A member of the Board of Directors is not required to be a shareholder of the Company.

Article 16. Competence of the Board of Directors

16.1. The Board of Directors shall have the authority:

- 1) To determine the strategy for development and priority lines of Company's activities;
- 2) To approve the general strategy and long-term plans of the SAC development at the suggestion of the Management Board and procedures for interaction of the Company and SAC during implementation of the general strategy and long-term plans of the SAC development;
- 3) To approve long-term plans of financial and economic activities of the Company for a period of implementation of the Company development strategy;
- 4) To convene an annual and extraordinary General Meetings of Shareholders except the instances provided by Clause 8 of article 55 of the Federal Law *On Joint Stock Companies*;
- 5) To approve an agenda of the General Meeting of Shareholders;
- 6) To determine the date of making a list of the persons entitled to participate in the General Meeting of Shareholders;
- 7) To increase the authorized capital of the Company by floating additional shares within the number of the declared shares by public offer of ordinary shares constituting no more than 25 (twenty five) percent of the outstanding ordinary shares;
- 8) To submit for consideration to the General Meeting of Shareholders a proposal to increase the authorized capital of the Company by floating additional shares within the number of the declared shares by public offer of ordinary shares constituting no more than 25 (twenty five) percent of the ordinary shares issued earlier (unless a resolution to increase the authorized capital has been passed by the Board of Directors pursuant to the laws being in force and the Charter);

- 9) To issue Company bonds and other securities in the instances provided for by the Federal Law *On Joint Stock Companies*;
- 10) To issue by public offer any convertible-into-ordinary-shares securities, which can be converted into ordinary shares, constituting no more than 25 (twenty five) percent of the ordinary shares issued earlier;
- 11) To submit for consideration to the General Meeting of Shareholders a proposal to issue by public offer any convertible-into-ordinary-shares securities, which can be converted into ordinary shares, constituting no more than 25 (twenty five) percent of the ordinary shares issued earlier (unless a resolution to issue convertible-into-ordinary-shares securities has been passed by the Board of Directors pursuant to the laws being in force and the Charter);
- 12) To approve reports on the results of the issue of additional shares and approve reports on the results of the shares acquisition in case of reduction of the authorized capital of the Company;
- 13) To determine the price (money value) of the property, price of the issue and redemption of securities in the instances provided for by the Federal Law *On Joint Stock Companies*;
- 14) To acquire issued Company shares, bonds and other securities in the instances provided for by the Federal Law *On Joint Stock Companies*;
- 15) To submit to the General Meeting of Shareholders a proposal to pass a resolution on the matters specified in Sub-Clauses 2, 6, 7, 16-22 of Clause 11.1 of the Charter;
- 16) To prepare proposals on changes in the Charter of the Company and submit the same for consideration to the General Meeting of Company Shareholders;
- 17) To prepare proposals on transactions, which require approval by the General Meeting of Shareholders;
- 18) To elect the sole executive body of the Company (President);
- 19) To terminate early the powers of the sole executive body of the Company (President);
- 20) To propose to the General Meeting of Shareholders to pass a resolution on delegation of the powers of the sole executive body of the Company (President) on a contract basis to a commercial organization (management organization) or individual businessman (manager);
- 21) To elect members of the collective executive body of the Company (Management Board) on presentation thereof by the President;
- 22) To terminate early the powers of the members of the collective executive body of the Company (Management Board);
- 23) To determine the terms of and conclude contracts with the President and members of the Management Board;
- 24) To control the efficiency of activities of the President, Management Board and its members;
- 25) To determine remunerations and compensations paid to the President and members of the Management Board;
- 26) To take decision to apply bonuses and disciplinary sanctions to the President and members of the Management Board;
- 27) To elect the corporative secretary of the Company (“**Secretary**”);
- 28) To approve annual reports on the activities of the management bodies of the Company and compliance with the Company’s Code of Corporate Behavior;
- 29) To recommend the General Meeting of Shareholders amounts of remunerations and compensations to be paid to the members of the Internal Auditing Commission and determine the auditor’s fee;
- 30) To recommend the General Meeting of Shareholders an amount of dividends on shares and procedure for paying out the same;

- 31) To approve the Company's internal documents except the internal documents required to be approved by the General Meeting of Shareholders pursuant to law and the Charter as well as other Company's internal documents required to be approved by the Company's executive bodies pursuant to the Charter;
- 32) To nominate candidate (candidates) for appointing the Company auditor;
- 33) To approve, upon presentation thereof by the President, the financial and business plan specifying, inter alia, scheduled expenses and income for each line of the Company's activities;
- 34) To determine the procedure for formation of the Company's funds;
- 35) To use the reserve fund as provided for by the Federal Law *On Joint Stock Companies* and other Company's funds, approve the annual report on the use of resources of such funds;
- 36) To establish (liquidate) branches and open (close) Company's representative offices, approve the Regulations of such branches and representative offices;
- 37) To approve the organizational structure upon presentation thereof by the President and make alterations in it;
- 38) To approve major transactions in the instances provided for in Chapter X of the Federal Law *On Joint Stock Companies*;
- 39) To submit any major transaction not approved by the Board of Directors to the General Meeting of Shareholders for approval;
- 40) To approve transactions specified in Chapter XI of the Federal Law *On Joint Stock Companies*;
- 41) To approve one or several interrelated transactions connected with alienation and (or) possible alienation of the property by the Company, which book value amounts to more than 10 (ten) percent of the book value of the Company's assets established on the basis of the accounting data as on the last reporting date;
- 42) To approve one or several interrelated transactions connected with acquisition, alienation and (or) possible alienation of real property by the Company or encumbrance thereof with any third person rights, where the value of such real property amounts to more than 1 (one) percent of the book value of the Company's assets determined on the basis of the accounting data as on the last reporting date;
- 43) To approve a transaction (s) connected with alienation, possible alienation of shares (stakes, interests) owned by the Company in Russian or foreign legal entities or encumbrance thereof with any third person rights;
- 44) To submit transactions specified in Sub-Clauses 41-43 of Clause 16.1. of the Charter to the General Meeting of Shareholders for approval (unless a resolution on approval of the corresponding transactions has been passed by the Board of Directors pursuant to the laws being in force and the Charter);
- 45) To approve the Registrar of the Company and terms of the contract with such Registrar and terminate the contract with it;
- 46) To determine, at the suggestion of the Management Board, Company's attitude to reorganization and liquidation of SAC, making of any alterations in the constituent documents of SAC or adoption of new versions of SAC constituent documents, formation of the executive bodies and election of members of the SAC boards of directors, increase of the SAC authorized capital and elaborate appropriate instructions for the Company's executive bodies as to voting at general meetings of shareholders (members) and other management bodies of SAC and representation of the Company's interests at the management bodies of SAC as regard to such matters;
- 47) To determine Company's attitude and elaborate appropriate instructions for the Company's executive bodies as regards voting at general meetings of shareholders (members) and other management bodies of SAC as well as representation of the Company's interests at the management bodies of SAC as regard to SAC taking any actions connected with filing SAC bankruptcy application or SAC taking any other actions pursuant to the applicable insolvency (bankruptcy) laws with the exception of cases when SAC or their managers (executive bodies) are required to take such

actions in accordance with the applicable insolvency (bankruptcy) laws or when SAC is a creditor in the insolvency (bankruptcy) proceedings of other legal entities;

48) To determine Company's attitude and elaborate appropriate instructions for the Company's executive bodies as regards voting at general meetings of shareholders (members) and other management bodies of SAC as well as representation of the Company's interests at the management bodies of SAC as regards approval of a transaction or several interrelated transactions to be concluded to the amount of over 10 (ten) percent of the book value of the Company's assets;

49) To determine Company's attitude and elaborate appropriate instructions for the Company's executive bodies as regards voting at general meetings of shareholders (members) and other management bodies of SAC as well as representation of the Company's interests at the management bodies of SAC as regards approval of a transaction or several interrelated transactions connected with alienation or possible alienation by SAC of any shares (stakes, interests) in a Russian or foreign legal entity, if as a result of effecting such transaction (s) the SAC share in the authorized (share) capital of the legal entity becomes less than 51 (fifty one) percent of the amount of the authorized (share) capital of such Russian or foreign legal entity;

50) To establish a risk management system, approve the Company' internal procedures for risk management, provide the compliance therewith, analyze the efficiency of and improve such procedures;

51) Approve preliminarily annual reports, annual financial statements including profit and loss statements (profit and loss accounts) of the Company as well as recommendations to the General Meeting of Shareholders as regards distribution of profit, including payment (declaration) of dividends except any profit distributed as dividends in accordance with the performance results of the first quarter, six months, nine months of the financial year), and losses of the Company in accordance with the performance results of the financial year no later than 30 (thirty) days prior to the date of the holding of the annual General Meeting of Company Shareholders;

52) To reconcile intracorporate disputes;

53) To form, within the body of the Board of Directors, an audit committee, committee for human resources and remunerations, strategy committee and other committees and approve regulations of such committees;

54) To deal with any other matters provided for by the Federal Law *On Joint Stock Companies* and the Charter.

16.2. No matters within the competence of the Board of Directors may be referred to the executive bodies of the Company.

Article 17. Chairman of the Board of Directors

17.1. The Chairman of the Board of Directors shall be elected by the members of the Board of Directors from among them by a majority of votes of all the members of the Board of Directors. The Board of Directors shall be entitled to re-elect at any time the Chairman of the Board of Directors by a majority of votes of all the members of the Board of Directors.

17.2. The person performing the functions of the President may not be simultaneously the Chairman of the Board of Directors.

17.3. The Chairman of the Board of Directors shall organize its activities, convene and preside meetings of the Board of Directors, provide keeping of minutes at meetings.

17.4. If the Chairman of the Board of Directors is absent, his functions shall be performed by one of the members of the Board of Directors by resolution of the Board of Directors.

Article 18. Meetings of the Board of Directors

18.1. The Board of Directors may take decisions at its meetings (joint presence for considering items

on the agenda and taking decisions), with the members of the Board of Directors having the possibility to present their written opinions, and by absentee voting.

18.2. A meeting of the Board of Directors shall not be competent (have a quorum), unless no less than a half of the elected members of the Board of Directors have participated in the meeting. If the quorum for holding a meeting of the Board of Directors is not secured, the meeting shall not be held and may be adjourned to a later date.

18.3. Should the number of the members of the Board of Directors become less than a half of the elected members of the Board of Directors, the Board of Directors shall pass a resolution to hold an extraordinary General Meeting of Shareholders in order to elect new members of the Board of Directors. The surviving members of the Board of Directors shall be entitled only to pass a resolution to call such extraordinary General Meeting of Shareholders as well as resolutions connected with preparation and holding of such meeting.

18.4. The Secretary shall provide organizational support of the activities of the Board of Directors and keeping of minutes of its meetings. The Secretary shall be elected by a majority of votes of all the elected members of the Board of Directors.

18.5. Resolutions at meetings of the Board of Directors shall be passed by a simple majority of votes of the members of the Board of Directors participating in the meeting, unless otherwise is provided by the Federal Law *On Joint Stock Companies* or internal documents of the Company.

18.6. Resolutions of the Board of Directors on the matters specified in Sub-Clauses 8, 11, 43, 47 of Clause 16.1. of the Charter shall be passed by a qualified 11/14 (eleven fourteens) majority of votes of all the elected members of the Board of Directors, with disregarding any votes of the retired members of the Board of Directors.

Resolutions of the Board of Directors on the matters specified in Sub-Clauses 1-3, 25, 26, 31, 50 of Clause 16.1. of the Charter shall be passed by a qualified 11/14 (eleven fourteens) majority of votes of the members of the Board of Directors participating in the meeting of the Board of Directors.

18.7. A resolution of the Board of Directors on the matters specified in Sub-Clauses 7, 10, 38 of Clause 16.1. of the Charter shall be passed unanimously by all the members of the Board of Directors, with disregarding any votes of the retired members of the Board of Directors.

18.8. The procedures for convening and holding meetings of the Board of Directors shall be defined in the Regulations of the Board of Directors approved by the General Meeting of Shareholders.

Article 19. Executive Bodies

19.1. The executive bodies of the Company shall be the President and Management Board. The executive bodies of the Company shall carry out current activities of the Company.

19.2. The executive bodies of the Company shall have the authority to deal with all matters of Company's current activities except any matters referred to the authority of the General Meeting of Shareholders and Board of Directors.

19.3. The executive bodies of the Company shall organize implementation of resolutions of the Board of Directors and General Meeting of Shareholders.

19.4. Resolutions on formation of the sole executive body and early termination of its powers shall be passed by a simple majority of votes of the members of the Board of Directors. Members of the collective executive body shall be elected by and a resolution on early termination of their powers shall be passed by a simple majority of votes of the members of the Board of Directors participating in the meeting of the Board of Directors.

19.5. The executive bodies shall be elected for a 5 (five) year period. If the term of the powers of the executive bodies (President and members of the Management Board) expires and the Board of Directors fails to re-elect the executive bodies of the Company, the President and members of the Management Board, whose powers have expired, shall continue performing the functions of the

executive bodies of the Company as acting bodies until election by the Board of Directors of new executive bodies of the Company.

19.6. The executive bodies of the Company shall report to the Board of Directors and General Meeting of Shareholders. The rights and responsibilities of the President and members of the Management Board shall be determined by the Federal Law *On Joint Stock Companies*, other legal acts of the Russian Federation, the Charter, internal documents of the Company and employment contract concluded by each of them with the Company. An employment contract shall be signed on behalf of the Company by the Chairman of the Board of Directors or other person authorized by the Board of Directors.

19.7. Holding by the President or members of the Management Board of any positions at the management bodies of other entities shall be permitted only by consent of the Board of Directors.

19.8. The Company may, by resolution of the General Meeting of Shareholders, delegate the powers of the sole executive body of the Company (President) to a commercial entity (management entity) or individual businessman (manager) on a contract basis. A resolution on delegation of the powers of the sole executive body of the Company to a management entity or manager shall be passed by the General Meeting of Shareholders at the suggestion of the Board of Directors only.

Article 20. President

20.1. The President shall be the sole executive body of the Company and act on the basis of the Charter as well as Regulations of the Company Management Bodies approved by the General Meeting of Shareholders.

20.2. The President shall be entitled to deal with all matters of the Company's current activities except any matters referred to the authority of the General Meeting of Shareholders, Board of Directors and Management Board by the laws being in force and the Charter.

20.3. The President shall perform the functions of the Chairman of the Management Board.

20.4. Disciplinary sanctions and incentives shall be applied by the Board of Directors to the President pursuant to the laws being in force and employment contract concluded between the Company and President. Granting rest leaves to the President shall be agreed upon by the Chairman of the Board of Directors.

20.5. The President shall be entitled to appoint acting President from among the members of the Management Board for a period of his rest leave, business trip and any other short time absence.

20.6. Subject to the restrictions set by the laws being in force, the Charter and other internal documents of the Company, where prior decision of the General Meeting of Shareholders, Board of Directors or Management Board is required for the President to perform specific actions and effect specific transactions, the President shall:

- 1) Dispose of the Company's property for providing Company's current activities within the limits established by the Charter and internal documents of the Company;
- 2) Represent the Company's interests in the Russian Federation and outside it;
- 3) Organize activities of the Management Board, preside its meetings;
- 4) Submit to the meeting of the Board of Directors proposals on election and termination of the powers of the members of the Management Board;
- 5) Submit for approval to the meeting of the Management Board candidates for managers of branches and representative offices of the Company;
- 6) Represent point of view of the Management Board at meetings of the Board of Directors;
- 7) Submit quarterly for consideration to the Board of Directors quarter plans of activities of the Management Board and reports on the implementation thereof. The form of the specified plans and reports shall be approved by the Board of Directors in accordance with the internal documents of the Company;

- 8) Organize implementation of resolutions of the General Meeting of Shareholders, Board of Directors and Management Board;
- 9) Effect transactions on behalf of the Company independently within his competence or upon approval thereof by the Company's bodies as provided by the Federal Law *On Joint Stock Companies*, the Charter and internal documents of the Company;
- 10) Issue orders and instructions binding on all the employees of the Company, give powers of attorney to the Company officers;
- 11) Submit quarterly to the Board of Directors reports on the Company's budget utilization;
- 12) Submit for approval to the Board of Directors the organizational structure of the Company and alterations in it;
- 13) Approve the manning table and limits on payroll funds, conclude employment contracts with the Company employees;
- 14) Approve the internal documents of the Company connected directly with President's dealing with the matters within his competence provided for by the Charter;
- 15) Perform other functions required for achieving the purposes of the Company's activities and providing its normal operations pursuant to the laws of the Russian Federation, the Charter and internal documents of the Company.

20.7. The President shall perform his functions in good faith, act in the Company's interests and in accordance with the laws being in force; effect no actions and conclude no transactions without prior approval thereof by the General Meeting of Shareholders, Board of Directors or Management Board, where such approval is required in accordance with the Charter or Russian Federation laws being in force; be engaged in no activities competing with the Company's activities; notify third persons of the restrictions on his competence, when effecting transactions (actions), for which prior decision of the Company's management bodies is required.

Article 21. Management Board

21.1. The Management Board shall be the collective executive body of the Company and act in accordance with the Charter and Regulations of the Company's Executive Bodies approved by the General Meeting of Shareholders.

21.2. The Management Board shall carry out current management of the Company's activities.

21.3. The Management Board shall be formed by the Board of Directors in accordance with the Regulations of the Company's Executive Bodies from Company officers, managers of SAC and organizational units of the Company as well as other persons possessing necessary professional qualification.

Members of the Management Board shall be elected by a simple majority of votes of the members of the Board of Directors participating in the meeting of the Board of Directors.

The President shall be the Chairman of the Management Board by virtue of his position.

21.4. The number of the members of the Management Board shall be determined by the Board of Directors upon presentation by the President.

21.5. The Management Board shall have the authority:

- 1) To develop, for submission to the Board of Directors, proposals on the strategy for the development and priority lines of Company's activities, long-term plans and major programs of Company's activities; proposals on the financial and business plan of Company's activities, financial and economic indices of the Company;
- 2) To determine the investment policy in relation to the Company's assets and SAC assets;
- 3) To develop, submit for approval to the Board of Directors and implement the general strategy and long-term plans of SAC development as well as procedures for the interaction of the Company

and SAC during the implementation of the general strategy and long-term plans for SAC development;

4) To examine a draft manning table and organizational structure of the Company on presentation thereof by the President, if the planned changes affect more than 10 (ten) percent of the Company staff on the payroll;

5) To approve a transaction or several interrelated transactions connected with acquisition by the Company of shares (stakes, interests) in a Russian or foreign legal entity;

6) To determine Company's attitude and elaborate appropriate instructions for the Company President as regards voting at general meetings of shareholders (members) and other management bodies of SAC as well as representation of the Company's interests at the management bodies of SAC as regards approval of a transaction or several interrelated transactions to be concluded by SAC to an amount of over 25 (twenty five) percent of the book value of the SAC assets;

7) To determine Company's attitude and elaborate appropriate instructions for the Company President as regards voting at general meetings of shareholders (members) and other management bodies of SAC as well as representation of the Company's interests in the management bodies of SAC as regards approval of a transaction or several interrelated transactions connected with alienation or possible alienation by SAC of shares (stakes, interests) in a Russian or foreign legal entity except any transaction (s), to which the Company's attitude is required to be determined by the Board of Directors pursuant to the Charter;

8) To appoint persons to represent the Company at meetings of shareholders (members) and at other management bodies of SAC, elaborate instructions for the President as regards voting at meetings of shareholders (members) and other management bodies of SAC as well as representation of the Company's interests at the management bodies of SAC in relation to all matters except those, for which the instructions are elaborated by the Board of Directors;

9) To approve a transaction or several interrelated transactions by the Company to an amount from 5 (five) to 10 (ten) percent of the book value of the Company's assets determined in accordance with its accounting data as on the last reporting date except any transactions, which approval is within the competence of the General Meeting of Shareholders or Board of Directors;

10) To appoint managers of branches and representative offices of the Company at the suggestion of the President;

11) To prepare for the Board of Directors proposals on the matters specified in Sub-Clauses 1-3, 41-43, 46-49 of Clause 16.1 of the Charter;

12) To organize control over implementation of resolutions of the General Meeting of Shareholders and Board of Directors;

13) To organize control over performance of the long-term and current plans and programs of the Company, implementation of the business-plan and/or budget of the Company, investment, financial and other projects of the Company;

14) To organize control over performance of the long-term and current plans and programs of SAC, implementation of the business-plans and/or budgets of SAC;

15) To control formation and use of the reserve fund and other funds of the Company formed out of the Company's net profit;

16) To prepare materials for meetings of the Board of Directors;

17) To deal with any other matters relating to the Company's activities in accordance with resolutions of the General Meeting of Shareholders and Board of Directors as well as any matters submitted by the President to the Management Board for consideration.

21.6. A meeting of the Management Board shall not be competent (have a quorum), unless a half of all elected members of the Management Board are present at such meeting.

21.7. Unless otherwise is provided for by the Charter, resolutions at meetings of the Management Board shall be passed by a simple majority of votes of the members of the Management Board

participating in the meeting.

Article 22. Internal Auditing Commission

22.1. The Company shall elect an Internal Auditing Commission of 5 (five) members for controlling its financial and economic activities for a period up to the next annual General Meeting of Shareholders.

While performing their responsibilities, by resolution of the General Meeting of Shareholders the members of the Internal Auditing Commission may be paid a remuneration and (or) compensated for any expenses connected with the performance of their responsibilities. The amount of such remuneration and compensation shall be fixed by a resolution of the General Meeting of Shareholders.

22.2. Along with dealing with the matters provided for by the Federal Law *On Joint Stock Companies*, the Internal Auditing Commission shall have the authority:

- 1) To audit and analyze the financial state of the Company, its solvency, functioning of the internal control system and system for management of financial and operational risks, assets liquidity, leverage;
- 2) To check up the timeliness and correctness of settlements with counteragents, budget as well as payroll payments, social insurance payments, calculation and payment of dividends and other settlement operations;
- 3) To check up the compliance of the use of material, labor and financial resources in the industrial and financial-economic activities with the norms and standards being in force, approved budgets and other documents regulating the Company's activities as well as implementation of resolutions of the General Meeting of Shareholders;
- 4) To check the legitimacy of Company's business operations carried out under contracts and transactions concluded on behalf of the Company;
- 5) To check cash and property of the Company, efficiency of the use of Company's assets and other resources, establish the reasons for non-productive losses and expenses;
- 6) To check the execution of instructions for eliminating infringements and shortcomings, revealed earlier by the Internal Auditing Commission;
- 7) To check the compliance of resolutions on financial and economic matters passed by the Board of Directors, Management Board and President with the Charter, internal documents of the Company and resolutions of the General Meeting of Shareholders.

22.3. The operation procedures of the Internal Auditing Commission shall be determined by the regulations of the Internal Auditing Commission approved by the General Meeting of Shareholders. A meeting of the Internal Auditing Commission shall not be competent (have a quorum), unless all elected members of the Internal Auditing Commission are present at such meeting. Resolutions at meetings of the Internal Auditing Commission shall be passed unanimously by all elected members of the Internal Auditing Commission.

22.4. The Company's financial and economic activities shall be checked (audited) in relation to the Company's performance results for the year and at any time on the initiative of the Internal Auditing Commission, by resolution of the General Meeting of Shareholders, Board of Directors or on requisition of shareholders (shareholder) owning jointly no less than 10 (ten) percent of voting shares in the Company.

22.5. On request of the Internal Auditing Commission the persons holding positions at the Company's management bodies shall be bound to present documents relating to Company's financial and economic activities.

22.6. The Internal Auditing Commission shall be entitled to demand convocation of an extraordinary General Meeting of Shareholders in accordance with article 55 of the Federal Law *On Joint Stock*

Companies.

22.7. The members of the Internal Auditing Commission may not simultaneously be members of the Board of Directors or hold any other positions at the Company's management bodies.

22.8. Shares owned by the members of the Board of Directors or persons holding positions at the management bodies of the Company may not participate in election of members of the Internal Auditing Commission.

Article 23. Auditor

23.1. The Auditor of the Company shall audit the Company's financial and economic activities on the basis of the contract concluded with the Auditor in accordance with the legal acts of the Russian Federation.

23.2. The Auditor of the Company shall be approved by the General Meeting of Shareholders. Auditor's remuneration shall be fixed by the Board of Directors.

Article 24. Accounting, Reporting, Documents

24.1 The Company shall keep accounting records and books and present financial statements as provided for by the Federal Law *On Joint Stock Companies* and other legal acts of the Russian Federation. If so decides the Board of Directors, the Company may additionally keep accounts and records in accordance with the international and other accounting standards.

24.2. The reliability of the data contained in the Company's annual report, annual financial statements shall be certified by the Internal Auditing Commission.

24.3. The Company's annual report shall be preliminarily approved by the Board of Directors no later than 30 (thirty) days prior to the date of the holding of the annual General Meeting of Shareholders.

24.4. The responsibility for organization, state and reliability of the business accounting in the Company, duly submission of the annual report and other financial documents to the corresponding bodies as well as information on the Company's activities supplied to shareholders, creditors and mass media shall be borne by the President.

24.5. The Company shall keep the following documents:

- 1) Memorandum of Association of the Company;
- 2) Charter of the Company, alterations and additions made in the Charter of the Company and registered in the prescribed manner, resolution on the Company establishment, document of the state registration of the Company;
- 3) Documents confirming the Company's rights to its property being registered in its books;
- 4) Company's internal documents;
- 5) Regulations of Company's branches and representative offices;
- 6) Annual reports;
- 7) Accounting records and books;
- 8) Financial statements and reports;
- 9) Minutes of General Meetings of Shareholders, meetings of the Board of Directors, Management Board and Internal Auditing Commission;
- 10) Ballot-papers and powers of attorney (copies of powers of attorney) for participation in the General Meeting of Shareholders;
- 11) Reports of independent appraisers;
- 12) Lists of Company's affiliated persons;

13) Lists of the persons entitled to participate in the General Meeting of Shareholders, entitled to dividends as well as other lists made by the Company for providing the exercise by shareholders of their rights pursuant to the requirements of the Federal Law *On Joint Stock Companies*;

14) Reports of the Internal Auditing Commission, Company auditor, state and municipal bodies of financial control;

15) Issue prospectuses (securities prospectuses), quarterly reports of the issuer and other documents containing information subject to publication or disclosure by any other way pursuant to the Federal Law *On Joint Stock Companies* and other federal laws;

16) Resolutions passed by the SAC management bodies, annual financial statements and other reports of SAC, information on major transactions and related party transactions made by SAC;

17) Other documents provided for by the Federal Law *On Joint Stock Companies*, the Charter, internal documents of the Company, resolutions of the General Meeting of Shareholders, Board of Directors, executive bodies of the Company as well as documents provided for by the legal acts of the Russian Federation.

24.6. The Company shall keep the documents specified in Clause 24.5 of the Charter in the office of its executive body in the order and for the periods established by the Russian Federation laws being in force.

Article 25. Disclosure and Presentation of Information by the Company

25.1. Any information on the Company shall be presented by the Company pursuant to the requirements of the Federal Law *On Joint Stock Companies* and other legal acts of the Russian Federation.

25.2. The Company shall be bound to disclose:

1) Company's annual report, annual financial statements;

2) Prospectus of issue of shares in the Company, if required by the legal acts of the Russian Federation;

3) Notice of a General Meeting of Shareholders;

4) Other information determined by the federal executive body charged with securities market.

25.3. The Company shall provide its shareholders with access to the documents specified in Clause 24.5 of the Charter. Access to the accounting documents and minutes of the meetings of the Management Board shall be authorized only to the shareholders (shareholder) having jointly no less than 25 (twenty five) percent of voting shares in the Company. In case that documents and other informative materials are of confidential nature or contain a state, commercial or official secret, they shall be presented in accordance with the Russian Federation laws being in force and Company's procedures for classified and confidential information handling.

Article 26. Reorganization

26.1. The Company may voluntarily reorganize itself by merger, affiliation, division, separation and transformation as provided for by the Federal Law *On Joint Stock Companies*.

26.2. The Company shall be deemed reorganized of the time of the state registration of newly formed legal entities except reorganization by affiliation. In case that the Company is reorganized by affiliation with another company, the Company shall be deemed reorganized of the time of making a Company termination record in the Unified State Register of Legal Entities.

Article 27. Liquidation

27.1. The Company may be voluntarily wound up as provided by the federal laws and the Charter. Liquidation of the Company by court decision shall be carried out on the grounds provided for by the Civil Code of the Russian Federation.

27.2. In case of voluntary liquidation of the Company the Board of Directors shall propose to the General Meeting of Shareholder to pass a resolution on the Company liquidation and appointment of the liquidation commission.

All the powers to manage the Company's affairs shall be transferred to the liquidation commission of the time of the appointment thereof. The liquidation commission shall act in court on behalf of the Company.

27.3. The procedures of the Company liquidation and distribution of the property remained after effecting settlements with the creditors shall be determined by the Federal Law *On Joint Stock Companies*.

The Company liquidation shall be deemed completed and the Company shall be deemed terminated of the time of making the corresponding entry in the Unified State Register of Legal Entities.