

APPROVED BY
THE ANNUAL GENERAL MEETING OF
SHAREHOLDERS OF
JSC COMSTAR-UNITED
TELESYSTEMS(MINUTES # ____ OF
____.2009)

CHARTER
OF
Open Joint Stock Company
COMSTAR – United TeleSystems

MOSCOW
2009

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PART I. THE COMPANY

1. GENERAL PROVISIONS

1.1. Open Joint Stock Company "COMSTAR – United TeleSystems" (hereinafter the "Company") was initially incorporated as Joint Venture "COMSTAR" that was entered on 14.06.1989 in the Register of the USSR Ministry of Finance under No. 598.

Later the Company was re-incorporated as Russian-British Limited Liability Company "COMSTAR" and reorganized into Closed Joint Stock Company "COMSTAR" (State Registration Chamber Certificate No. P-7644 of incorporation and the entering in the State Register of Commercial Organizations of changes and amendments to the foundation documents dated 11.05.1999, Certificate of Moscow Registration Chamber No. 040.347 dated 15.06.1999).

The General Meeting of Shareholders of Closed Joint Stock Company "COMSTAR" on 09.08.2005 adopted a decision to change the name and type of Closed Joint Stock Company "COMSTAR" to Open Joint Stock Company "COMSTAR – United TeleSystems".

The Company shall be a general legal successor of the entire rights and obligations of Closed Joint Stock Company "Company "MTU-Inform" (registered with Moscow Registration Chamber on 30.07.1998, under No. 141.686 and entered on 26.09.2002 by Moscow Inter-District Inspectorate of the Ministry of Taxes and Dues of Russia No. 39 in the Uniform State Register of Legal Entities under the following Primary State Registration number: 1027739259591), reorganized in the form of affiliation to Open Joint Stock Company "COMSTAR – United TeleSystems".

The Company shall be a general legal successor of the entire rights and obligations of Closed Joint Stock Company "TELMOS" (registered with Moscow Registration Chamber on 04.05.1995 under No. 036.962 and entered on 22.07.2002 by Moscow Inter-District Inspectorate of the Ministry of Taxes and Dues of Russia No. 39 in the Uniform State Register of Legal Entities under the following basic state registration number: 1027739007295), reorganized in the form of affiliation to Open Joint Stock Company "COMSTAR – United TeleSystems".

The Company shall be a general legal successor of the entire rights and obligations of Closed Joint Stock Company "CENTRAL TELEPHONE COMPANY «CONTRAST-TELECOM», established by means of restructuring in the form of transformation of Limited Liability Company «CENTRAL TELEPHONE COMPANY «CONTRAST – TELECOM», registered with Moscow Registration Chamber on 15.12.1997, under №328.075 as Closed Joint Stock Company «CENTRAL TELEPHONE COMPANY «CONTRAST-TELECOM» (registered on 01.06.2006 under the Primary State Registration Number: 1065042073601), reorganized in the form of affiliation to Open Joint Stock Company "COMSTAR – United TeleSystems".

The Company shall be a general legal successor of the entire rights and obligations of Closed Joint Stock Company «Golden Line» (registered on 07. 08. 1996 Moscow Registration Chamber under №023.220 and entered on 16.08.2002 by Moscow Inter-District Inspectorate of the Ministry of Taxes and Dues of Russia No. 39 in the Uniform State Register of Legal Entities under the following Primary State Registration Number: 1027739079928), reorganized in the form of affiliation to Open Joint Stock Company "COMSTAR – United TeleSystems".

The Company shall be a general legal successor of the entire rights and obligations of Closed Joint Stock Company «Sochitelecomservice» (registered on 12.11.2007 by Inter-District Inspectorate of the Ministry of Taxes and Dues of Russia №8 in Krasnodar region Territorial branch 2319 in Khostinskiy district under the following Primary State Registration Number: 1072319004361), reorganized in the form of affiliation to Open Joint Stock Company "COMSTAR – United TeleSystems".

The Company shall be a general legal successor of the entire rights and obligations of Closed Joint Stock Company «PortTelecom» (registered on 18.04.2003 by Inspectorate of the Ministry of Taxes and Dues of Russia in the city of Khimki, Moscow region, under the following Primary State Registration Number: 1035009568330), reorganized in the form of affiliation to Open Joint Stock Company "COMSTAR – United TeleSystems".

The Company shall be a general legal successor of the entire rights and obligations of Closed Joint Stock Company «Konversiya-svyaz» (registered on 25.06.1997 by the Administration of the city of Saratov under №01087427 and entered on 28.08.2002 by Inspectorate of the Ministry of Taxes and Dues of Russia in Leninskiy district of the city of Saratov in the Uniform State Register of Legal Entities under the following Primary State Registration Number: 1026403040180), reorganized in the form of affiliation to Open Joint Stock Company "COMSTAR – United TeleSystems".

The Company shall be a general legal successor of the entire rights and obligations of Closed Joint Stock Company «Telecommunications Company «OVERTA» (registered on 29.01.2007 by Inspectorate of the Ministry of Taxes and Dues of Russia in Oktyabrskiy district of the city of Saratov and entered in the Uniform State Register of Legal Entities under the following Primary State Registration Number: 1076454000754), reorganized in the form of affiliation to Open Joint Stock Company "COMSTAR – United TeleSystems".

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- 1.2. The Company is the universal successor of entities mentioned in Paragraph 1.1 hereof.
 - 1.3. The Company was entered in the Consolidated State Register of Legal Entities under Primary State Registration Number 1027700003946.
 - 1.4. The full trade name of the Company in the Russian language shall be: **Открытое акционерное общество «КОМСТАР – Объединенные ТелеСистемы»**
 - 1.5. The abbreviated trade name of the Company in the Russian language shall be: **ОАО «КОМСТАР-ОТС»**.
 - 1.6. The full trade name of the Company in the English language shall be: **Joint Stock Company “COMSTAR – United TeleSystems»**.
 - 1.7. The abbreviated trade name of the Company in the English language shall be: **JSC “COMSTAR-UTS»**.
 - 1.8. The location of the Company shall be: **27, bldg. 2, Smolenskaya-Sennaya Sq., Moscow, Russian Federation**.
 - 1.9. The Company operates in compliance with the Civil Code of the Russian Federation, Federal Law “On Joint Stock Companies”, other legal acts of the Russian Federation and the present Charter.
 - 1.10. The duration of the Company’s activities is unlimited.

2. PURPOSE, OBJECTIVES AND BUSINESS OF THE COMPANY

- 2.1. The principal objective of the Company is to make a profit from commercial activities.
- 2.2. In order to achieve its objectives the Company shall carry out the following activities:
 - (1) **provision of local telephone services,**
 - (2) **provision of national and international telephone services;**
 - (3) **provision of telephone services in a dedicated telecommunication network;**
 - (4) **provision of intrazone telephone services;**
 - (5) **provision of radio paging services;**
 - (6) **provision of mobile services in a public telecommunication network and in a dedicated telecommunication network;**
 - (7) **provision of mobile radiotelephone services;**
 - (8) **provision of mobile satellite radio services;**
 - (9) **provision of telecom channel lease services;**
 - (10) **provision of data transfer services, including data services for voice transmission;**
 - (11) **provision of telematic services;**
 - (12) **provision of telecommunication services for cable broadcasting;**
 - (13) **provision of telecommunication services for on-air broadcasting;**
 - (14) **deployment and operation of various telecommunication networks;**
 - (15) **research and development in the field of new information technologies and telecommunication systems;**
 - (16) **production, sales, adaptation, maintenance and technical support of information systems, telecommunication systems and telecommunication equipment;**
 - (17) **performance of planning, construction, installation and start-up works in connection with construction and operation of telecommunication installations, facilities and systems;**
 - (18) **planning, construction, repair, restoration and maintenance of buildings and installations;**
 - (19) **maintenance of catering facilities, accommodation facilities and recreation centers;**
 - (20) **performance of functions of a customer and general contractor;**
 - (21) **performance of engineering surveys and all types of design works,**
 - (22) **protection of information which constitutes State Secrets,**inclusive of foreign economic activities.
- 2.3. The Company shall have the right to be engaged in other activities not forbidden by the law of the Russian Federation.
- 2.4. Activities subject to licensing shall be carried out on the basis of appropriate licenses.

3. LEGAL STATUS OF THE COMPANY

- 3.1. The Company is a legal entity according to the law of the Russian Federation, has in its ownership a separate property accounted for on the Company’s balance sheet, may in its own name acquire and exercise property and personal non-property rights, bear responsibilities and be a claimant or responder in a court.
- 3.2. The Company shall have a round seal, stamps and letterheads with its full trade name in the Russian and English languages and with the indication of the Company’s location, as well as a trademark that shall be registered in accordance with the procedure established by the law of the Russian Federation. The Company may have an emblem and other means of visual identification.
- 3.3. The Company shall have the right to participate, in accordance with the existing procedure, in the establishment of other organizations in the Russian Federation and abroad; the Company may also have subsidiaries and affiliated companies both in the Russian Federation and abroad and acquire shares (interests) in their charter capitals, purchase buildings, facilities, land plots, and other

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- immovable property, securities and any other property that is the subject to the proprietary rights in accordance with the law.
- 3.4. In order to attract additional funds the Company shall have the right to issue various securities whose circulation is allowed by the law of the Russian Federation, including registered shares, bonds and other securities, and to determine independently the terms and conditions for their issuance and placement in accordance with the law of the Russian Federation and the present Charter.
 - 3.5. The Company shall have the right to participate in holding companies, financial and industrial groups, associations, unions and corporations under conditions that they do not contravene the RF legislation and the present Charter.
 - 3.6. The Company shall have the right to participate in unions, associations, and other corporations, under conditions that they do not contravene the RF legislation and the present Charter. The Company shall have the right to cooperate with international financial institutions in any form not prohibited by the law.
 - 3.7. The Company shall acquire civil rights and undertake obligations through its corporate bodies in accordance with the law of the Russian Federation and this Charter.
 - 3.8. The Company shall not be liable for obligations of its shareholders, and the shareholders shall not be liable for the Company's obligations and shall bear the risk of damages related to the Company's activity within the limits of the price of shares owned by them. The Company shall not be liable for obligations of the government and its authorities, and the government and its authorities shall not be liable for the Company's obligations.
 - 3.9. In order to follow the state, social, economic and tax policies the Company shall be responsible for the safety of corporate documents; ensure the lodging of documents that have scientific and historical significance in central archives of the city of Moscow; keep and use staff-related documents in accordance with the established procedure.
 - 3.10. The Company shall implement government measures regarding preparation for mobilization in accordance with the law of the Russian Federation and regulatory documents of Moscow Government.

4. PROPERTY OF THE COMPANY

- 4.1. The Company is the owner of the property in its possession including assets transferred to the Company by the shareholders. The Company's shareholders shall have no title for assets contributed to the Charter Capital of the Company.
- 4.2. The Company exercises free ownership, use and disposal of owned assets in accordance with legislation of the Russian Federation.
- 4.3. Large-scale transactions and related-party transactions shall be performed by the Company if approved by the Company's General Shareholders Meeting or Board of Directors in accordance with the procedure stipulated in subparagraphs 27.1.23 - 27.1.30, 32.2.19 – 32.2.20 of the present Charter and in compliance with other statutory requirements of the Russian Federation.
- 4.4. The Company's property is represented by fixed assets, working capital and other assets which value is recorded in individual balance sheets. Property sources, revenues, net book and net profit of the Company shall be established in accordance with the procedure stipulated by legislation of the Russian Federation.
- 4.5. Value of net assets of the Company shall be calculated based on accounting records in accordance with the procedure stipulated by legislation of the Russian Federation.

5. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY

- 5.1. The Company shall have the right to set up in accordance with the established procedure, both in the Russian Federation and abroad, its branches and representative offices that shall operate in accordance with appropriate regulations approved by the Company's Board of Directors. The branches and representative offices shall not be legal entities, their head executives shall be appointed by the President and act on the basis of letters of attorney issued to them. The Charter of the Company shall contain data about the Company's branches and representative offices.
- 5.2. The Company has the following branches:
 - «**COMSTAR-Volga Region**» - 124, Chapaevskaya St., Samara, Samara Region, 443099, Russian Federation;
 - «**Moscow Region Branch**» - 4, Krasnaya St., Lyubertsy, Moscow Region, 140006, Russian Federation;
 - «**St. Petersburg Branch**» - 8, Italiyskaya St., St. Petersburg 191011, Russian Federation;
 - «**Saratov Branch**» - 1, Panphilov St., Saratov, Saratovskaya region, 410033, Russian Federation;
 - «**Tyumen Branch**» - 205, Scherbakova St., Tyumen region, 625043, Tyumen, Russian Federation;
 - «**Southern Branch**» – 18, USSR Constitution St., Sochi, Krasnodar Territory, 354003, Russian Federation.

6. DIVIDENDS OF THE COMPANY

- 6.1. The Company shall have the right to make a resolution (announce) on payment of dividend on the placed shares based on the results of the first quarter, six months, nine months of the financial year and (or) results of the financial year.
- 6.2. A resolution to pay/declare dividends on the basis of results of the first quarter, six and/or nine months of the financial year may be adopted within three months after the end of the respective period. Annual dividends shall be announced by the annual General Meeting of Shareholders according to the results of the year.
- 6.3. A resolution on dividend payment, the amount of dividend and the form of payment shall be approved based on the proposal of the Board of Directors. The amount of dividend shall not exceed the amount recommended by the Board of Directors.
- 6.4. Term for dividend payment shall be identified by the resolution of General Meeting of Shareholders related to the payment of dividend and shall not exceed 60 (sixty) days since the date the resolution on dividend payment is approved.
- 6.5. The Company shall pay dividends announced for each category (type) of shares.
- 6.6. The amount of dividend shall be announced as a percentage to the par value of shares or in rubles per share.
- 6.7. Dividend may be paid in cash and in natural form, i.e. shares, bonds, goods and other property under the resolution of the General Meeting of Shareholders.
- 6.8. A list of persons entitled to receive dividends shall be drafted at the date when the list of attendees of the General Shareholder's Meeting is drafted and the agenda of the meeting covers the issue of dividend payment (announcement).
- 6.9. Limitations for dividend announcement and payment are established by legislation of the Russian Federation.

7. THE COMPANY'S FUNDS

- 7.1. The Company shall establish a reserve fund by means of annual deductions in the amount no less than 5% (five percent) of net profit until the fund reaches 5% (five percent) of the Company's Charter Capital. The purpose of the reserve fund is to cover the Company's losses and redemption of the Company's bonds and repurchase of the Company's shares if no other funds are available. Reserve fund shall not be used for other purposes. Reserve fund shall be used under the resolution of the Board of Directors and according to the procedure established by the Board of Directors.
- 7.2. The Company shall have the right to set up other funds.

8. ACCOUNTING AND REPORTING

- 8.1. The Company shall arrange accounting and take measures for it to be based on true and complete presentation of information on all transactions made and any other facts of economic activity.
- 8.2. The Company shall store the documents stipulated in the legislation of the Russian Federation.
- 8.3. The Company shall disclose its financial information as prescribed by legislation of the Russian Federation and internal documents of the Company.
- 8.4. As prescribed by the legislation of the Russian Federation, the President of the Company shall bear responsibility for organization, status and validity of the Company's accounting, for duly presentation of annual accounting reports and other financial reports to supervisory bodies, as well as for validity of information on the Company activity submitted to the Company Shareholders, creditors and other entities.
- 8.5. The President of the Company shall present the annual accounting report of the Company, as well as Auditor's report and report of the Company Audit Commission, at the Board of Directors and General Meeting of Shareholders.
- 8.6. The annual report of the Company shall be subject to prior approval by the Board of Directors, not later than 30 (thirty) days before the date of Annual General Meeting of Shareholders.
- 8.7. Audit Commission of the Company shall confirm the validity of the data contained in the annual report of the Company submitted to the General Meeting of Shareholders, Company balance sheet, and profit and loss statement.

9. INFORMATION ABOUT THE COMPANY

- 9.1. Company information shall be submitted in compliance with the legislation of the Russian Federation.
- 9.2. The Company shall provide shareholders with access to the documents, which it shall store and submit in accordance with the present Charter and the RF legislation. Provision of information about the Company and copies of the correspondent documents of the Companies shall be carried out in accordance with procedures established by the RF legislation.
- 9.3. The shareholders and the Company shall take all reasonable efforts to prevent from unauthorized disclosure and leakage of such information. The members of Board of Directors with access to confidential information of the Company shall not disclosure it to other parties possessing no access to such information, or use it in their or other parties' interests.

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- 9.4. If required, the Company shall conclude a non-disclosure agreement with its employees, members of Board of Directors and shareholders, and the above persons shall conclude the same among themselves.
 - 9.5. Obligatory disclosure of information shall be carried out by the Company in accordance with the internal documents of the Company and the legislation of the Russian Federation.

10. REORGANIZATION AND LIQUIDATION OF THE COMPANY

- 10.1. The Company can be voluntarily reorganized in compliance with the procedure set forth in the legislation of the Russian Federation. The Company reorganization shall entail transfer of rights and obligations of the Company to its successor.
- 10.2. The Company can be reorganized by way of consolidation, merger, split-up, spin-off, or transformation.
- 10.3. The Company shall be considered reorganized, except for reorganization by way of merger, since the date of state registration of the newly established legal entities.
- 10.4. The Company, if reorganized by way of merger with another company, shall be considered reorganized since the date the record on termination of operations of the associate company is made in the Unified State Register of Legal Entities.
- 10.5. The Company can be voluntarily liquidated in compliance with the procedure prescribed by the legislation, or by order of court on the grounds stipulated in the legislation of the Russian Federation.
- 10.6. The Company liquidation shall entail its termination without transfer of rights and obligations to other parties under the law of succession.
- 10.7. Any powers related to Company administration shall be transferred to the Liquidation commission since the date of its establishment. The Liquidation commission shall appear before the court on behalf of the liquidated Company.
- 10.8. The Liquidation commission shall publish notification on the Company liquidation and procedure and terms for creditors' claims, in the press media publishing information on registration of legal entities. The term for creditors' claims shall be two months or more since the date of the liquidation notification.
- 10.9. Upon termination of period for creditors' claims, the Liquidation commission shall prepare an intermediate balance sheet to include identification of property of the liquidated Company, creditors' claims and decisions taken. The intermediate balance sheet shall be subject to approval by the General Meeting of Shareholders.
- 10.10. Upon settlement of creditors' claims, the Liquidation commission shall prepare a liquidation balance sheet which shall be subject to approval by the General Meeting of Shareholders.
- 10.11. The property of the liquidated Company remaining upon settlement of creditors' claims shall be distributed by the Liquidation Commission among shareholders according to the following priority order:
 - payments on shares to be redeemed by the Company from shareholders due to legal requirements shall be of first priority;
 - payment of due accrued dividends on preferred shares, and of liquidation value of preferred shares as stipulated in the Company Charter, shall be of the second priority;
 - distribution of liquidated Company property among shareholders possessing common shares and all kinds of preferred shares shall be of third priority.
- 10.12. Property distribution of each priority shall start after completion of property distribution of previous priority.
- 10.13. The Company liquidation shall be considered complete, and the Company – liquidated, since the date a corresponding record is made in the Unified State Register of Legal Entities by a state registration body.
- 10.14. In case of reorganization or liquidation of the Company, or upon completion of operations related to state secrecy of the Russian Federation, the Company shall ensure the security of the information and the carriers.

11. CHARTER OF THE COMPANY

- 11.1. The present Charter is the constituent document of the Company. Requirements of the Company's Charter are obligatory for all the management and supervisory bodies of the Company as well as for the shareholders of the Company. The present Charter takes effect as from the moment of its registration, in accordance with the procedure established by the legislation of the Russian Federation.
- 11.2. Resolutions on introduction of alterations and amendments to the present Charter shall be adopted by the General Meeting of the Shareholders of the Board of Directors in accordance with the procedures established by the law of the present Charter; amendments and addenda to this Charter or restated Charter of the Company shall become effective for third parties since the date of their state registration.
- 11.3. The provisions of this Charter shall be applied to the extent not contravening the legislation of the Russian Federation. If any changes in legislation of the Russian Federation lead to contradiction

between some of the articles and provisions of the Charter to any legal acts, such provisions shall become null and void and shall not be effective until introduction of the correspondent alterations to the present Charter.

PART II. CHARTER CAPITAL OF THE COMPANY

12. CHARTER CAPITAL OF THE COMPANY. GENERAL PROVISIONS

- 12.1. The Charter Capital of the Company shall determine the minimal amount of the Company's property which shall guarantee the interests of its creditors.
- 12.2. The Charter Capital of the Company shall amount to **417 940 860** (four hundred seventeen million nine hundred forty thousand eight hundred sixty) rubles 00 kopecks and shall consist of **417 940 860** (four hundred seventeen million nine hundred forty thousand eight hundred sixty) placed registered common shares of the Company of par value **1** (one) ruble for each share .
- 12.3. The Company shall have the right to issue declared shares in addition to those placed: **104 485 215** (one hundred four million four hundred eighty-five two hundred fifteen) common shares of the Company of par value **1 (one)** ruble for each share. The declared shares of the Company mentioned in this Paragraph in case of their placement shall grant to the shareholders similar volume of rights that are granted by the placed shares of the Company.

13. INCREASE IN THE COMPANY'S CHARTER CAPITAL

- 13.1. The Company's Charter Capital can be increased by increase of par value of the Company's shares or placement of additional shares pursuant to the resolution of the General Meeting of Shareholders or Board of Directors of the Company in accordance with Sub-paragraphs 27.1.6 - 27.1.10 of the present Charter.
- 13.2. Increase of the Company's Charter Capital by increase of par value of the shares shall be made only at the expense of the Company's property. Increase of the Company's Charter Capital by placement of additional shares can be made at the expense of the Company's property.
- 13.3. When increasing the Company's Charter Capital by placement of additional shares such additional shares can be placed by the Company only in the limit of number of the declared shares established by the present Charter. Thus in case if number of the declared shares of the Company is insufficient for placement of the proposed number of additional shares of the Company, then within the procedure and on the terms established by law and the present Charter the resolution on increasing of the Company's Charter Capital can be approved simultaneously with the resolution on making amendments to the present Charter in relation to number of the Company's declared shares necessary to approve such resolution.
- 13.4. Additional shares of the Company can be placed by subscription or conversion as well as by distribution among all Company's shareholders – in case of increase of the Company's Charter Capital at the expense of its property.
- 13.5. The Company shall have the right to place additional shares both by public subscription and private offering.
- 13.6. The price of placement of additional shares in relation to the Company's shareholders when exercising by them of the pre-emptive rights to acquire the shares can be lower than the price of placement in relation to other persons, but not more than by 10% (ten percent). Thus, the price of placement of such additional shares shall not be lower than their par value.
- 13.7. Payment for the additional shares of the Company placed by subscription shall be made by money funds, securities, other property or property rights or other rights that can be estimated in money terms in accordance with the resolution on increasing of the Company's Charter Capital.
- 13.8. The additional shares of the Company placed by subscription shall be placed subject to full payment thereof.
- 13.9. When increasing the Company's Charter Capital at the expense of its property by placement of additional shares such shares shall be distributed among all shareholders. Thus, each shareholder shall receive shares of the same category (type) that the shares owned by him pro rata number of the shares owned by him.
- 13.10. The amount by which the Company's Charter Capital is increased at the expense of the Company's property shall not exceed the difference between net asset value of the Company and amount of the Charter Capital and Reserve Fund of the Company.

14. REDUCTION OF THE COMPANY'S CHARTER CAPITAL

- 14.1. The Company shall have the right and in cases, provided for in the RF legislation, shall be obliged to decrease its Charter Capital by decrease of par value of the shares or decrease of their total number

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- including acquisition of part of the shares in cases, provided for in the RF legislation and the present Charter.
- 14.2. The resolution on decreasing of the Company's Charter Capital by decrease of par value of the shares or by acquisition of part of the shares for the purposes of decrease of their total number shall be approved by the Company's General Meeting of Shareholders in accordance with Sub-paragraphs 27.1.11 – 27.1.12 of the present Charter.
- 14.3. Payment to all shareholders of the Company of money funds and/or transfer to them of equity securities owned by the Company and placed among other legal entity can be envisaged by the resolution on decreasing of the Company's Charter Capital by decrease of par value of the shares.
- 14.4. The Company's Charter Capital can be decreased by decrease of total number of placed shares including by acquisition and retirement of part of the shares come at the disposal of the Company in the following cases:
- (1) at retirement of part of the Company's shares acquired by the Company on the basis of the resolution on decreasing of the Company's Charter Capital by acquisition and retirement of part of the Company's shares for the purpose of decrease of their total number;
 - (2) if shares redeemed by the Company at the request of the shareholders were not realized within one year from the date of their redemption (except for the cases of redemption of the shares when taking a resolution on reorganization of the Company);
 - (3) redemption of the Company's shares at its reorganization;
 - (4) reorganization of the Company in the form of separation by means of redemption of the convertible shares;
 - (5) if shares purchased by the Company in accordance with the decision of the competent body of the Company, set by the Company's Charter, were not realized within one year from the date of their acquisition;
 - (6) in other cases provided for in the RF legislation.
- 14.5. The resolution on decreasing of the Company's Charter Capital by acquisition of part of the shares of the Company with the purposes to decrease their total number shall be approved by the General Meeting of Shareholders.
- 14.6. Within 30 days from the date of approval of the resolution on decreasing of its Charter Capital the Company shall be obliged to notify creditors of the Company in writing about decrease of the Charter Capital and its new amount, as well as to publish in printing in which data on state registration of legal entities is published a notification about the approved resolution. Thus creditors of the Company shall be entitled within 30 days from sending to them of the notification or within 30 days from the day of publishing of the notification of the approved resolution to demand in writing early termination or fulfillment of relevant obligations of the Company as well as reimbursement of their losses.

PART III. SHARES AND OTHER EQUITY SECURITIES OF THE COMPANY

15. SHARES OF THE COMPANY

- 15.1. The common share of the Company – an uncertified registered equity security which shall grant to its owner (the Shareholder) certain volume of property rights including the right to participate in management of the Company, the right to receive part of the Company's profit in the form of dividends, as well as the right to receive part of the property remaining after liquidation of the Company.
- 15.2. All issued and placed shares of the Company shall be uncertified common registered shares with equal par value. Value of the shares shall be expressed in rubles notwithstanding the form and method of payment thereof.
- 15.3. The Company shall have the right to place one or several types of preferred shares.
- 15.4. Par value of all shares of one type (category) shall be equal.
- 15.5. Par value of the placed preferred shares of the Company shall not exceed 25% of the Charter Capital of the Company.
- 15.6. The procedure of formation and circulation of fractional shares of the Company shall be established by the legislation of the Russian Federation and the present Charter.
- 15.7. Volume of rights vested in the Company's share shall be established by the legislation of the Russian Federation and the present Charter.
- 15.8. The rights vested in the Company's share shall be transferred to their transferee at the moment of transfer of rights for such security.

16. BONDS AND OTHER EQUITY SECURITIES OF THE COMPANY

- 16.1. Besides additional shares, the Company shall have the right to place bonds and other equity securities in accordance with applicable legislation of the Russian Federation.

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- 16.2. The Company shall not have the right to place bonds convertible into the Company's shares or other equity securities convertible into the Company's shares if the number of the declared shares of the Company of certain categories and types is less than the number of shares of such categories and types, the right to acquire which is granted by such securities. Thus within the procedure and on the terms stipulated in the legislation of the Russian Federation and the present Charter the resolution to place equity securities convertible into the shares of the Company can be approved simultaneously with the resolution to amend the present Charter in relation to number of the declared shares of the Company necessary to approve such resolution.
 - 16.3. The price of placement of equity securities of the Company convertible into shares in relation to the Company's shareholders when exercising by them of the pre-emptive rights to acquire such securities can be lower than the price of placement in relation to other persons but not more than by 10% (ten percent). Thus the price of placement of such equity securities convertible into the Company's shares can not be lower than the par value of the shares into which shares such securities are converted.
 - 16.4. Payment for equity securities placed by the Company (except for additional shares of the Company and equity securities convertible into the Company's shares) shall be carried out only by money funds.
 - 16.5. Equity securities of the Company placed by subscription shall be placed subject to full payment thereof.
 - 16.6. Redemption of the Company's bonds shall be carried out in the form of money or by other property in accordance with the resolution of their issuance.
 - 16.7. The bond shall attest the right of its owner to demand redemption of the bond (payment of its par value or par value and interest) within the established time periods.
 - 16.8. Placement of the bonds and other equity securities of the Company shall be implemented in accordance with the resolution of the General Meeting of Shareholders and (or) the Board of Directors.
 - 16.9. Placement by the Company of the bonds convertible into the shares and other equity securities convertible into the shares, shall be implemented in accordance with the resolution of the General Meeting of Shareholders and (or) the Board of Directors.
 - 16.10. Form, time periods and other conditions of bonds redemption shall be indicated in the resolution of issuance of the bonds.
 - 16.11. The bond shall have par value. Par value of all bonds issued by the Company shall not exceed the amount of the Company's Charter Capital or amount of the security granted to the Company by third parties for the purposes of issuance of bonds. Placement of the Company's bonds can be made after full payment of its Charter Capital.
 - 16.12. The Company shall have the right to place bonds with one-time term of redemption or bonds with term of redemption by series in certain periods of time.
 - 16.13. The Company shall have the right to envisage a possibility of early redemption of bonds at will of its owners. Thus, the price of redemption and the term not earlier of which the bonds can be presented for early redemption shall be indicated in the resolution on issuance of bonds.
 - 16.14. The Company shall have the right to place bonds secured by the pledge of certain property of the Company or bonds under security granted to the Company by third parties for the purposes of issuance of bonds, or unsecured bonds.
 - 16.15. Placement of unsecured bonds can be made not earlier than the third year of existence of the Company and is subject to due approval of two annual balances of the Company by this time, exclusive of cases considered in the applicable Federal laws.
 - 16.16. The bonds can be registered or unregistered. When issuing registered bonds the Company shall maintain Register of their owners. Lost registered bonds shall be renewed by the Company for reasonable fee. Rights of the owner of the lost unregistered bond shall be restored by the court within the procedure established by the procedural legislation of the Russian Federation.
 - 16.17. Peculiarities of issuance of securities depending on the type of security and methods of their placement shall be established by the legislation of the Russian Federation.

17. CONSOLIDATION AND SPLITTING OF SHARES

- 17.1. The Company shall have the right to carry out consolidation of the placed common shares of the Company in the result of which two or more common shares of the Company are converted into one new common share of the Company under resolution of General Meeting of Shareholders of the Company. Thus relative amendments shall be made to the present Charter related to par value and number of placed and declared common shares of the Company.
- 17.2. If at consolidation of shares acquisition by the shareholder of integer of shares is impossible parts of shares shall be formed (fractional shares).
- 17.3. In accordance with the resolution of the General Meeting of Shareholders, the Company shall be entitled to carry out splitting of the placed shares of the Company in the result of which one share of the Company is converted into two or more shares of the Company of the same category (type). Thus corresponding amendments shall be made to the Company's Charter related to the par value and number of placed and declared shares of the Company of respective category (type).

18. PAYMENT FOR SHARES AND OTHER EQUITY SECURITIES OF THE COMPANY AT THEIR PLACEMENT

- 18.1. The Company's shares distributed at its establishment were fully paid by the Company's founders in accordance with the decision on establishment of the Company and terms of the Agreement on establishment of the Company.
- 18.2. Additional shares and other equity securities of the Company placed by subscription shall be placed subject to full payment thereof.
- 18.3. Payment for the additional shares placed by subscription can be made by money funds, securities, other property or property rights or other rights, which can be estimated in money terms.
- 18.4. Form of payment for the additional shares of the Company shall be determined by the resolution on their placement. Payment for other equity securities shall be made only by money funds.
- 18.5. When effecting payment for the additional shares by non-monetary instruments the money evaluation of property allocated for payment of the shares shall be made in accordance with article 77 of the Federal law «On Joint Stock Companies».
- 18.6. When effecting payment for the shares by non-monetary instruments an independent appraiser shall be engaged for determination of the market value of such property, unless otherwise stipulated in the legislation of the Russian Federation. Money evaluation of the property made by the Board of Directors of the Company shall not be higher than the evaluation made by the independent appraiser.

19. ACQUISITION OF PLACED SHARES BY THE COMPANY

- 19.1. The Company shall have the right to acquire the shares placed by it in accordance with the resolution of the General Meeting of Shareholders on decrease of the Company's Charter Capital by acquisition of part of the placed shares with the purposes to decrease their total number. The resolution on decreasing of the Charter Capital by the mentioned method shall not be approved if par value of the shares remaining in circulation becomes lower than minimal amount of the Charter Capital provided for in the legislation of the Russian Federation. The shares acquired on the basis of the resolution of the General Meeting of Shareholders on decrease of the Charter Capital shall be redeemed when being acquired.
- 19.2. The Company shall be entitled to acquire the shares placed by it in accordance with the resolution of the Board of Directors. Such resolution can be approved if the par value of the Company's shares in circulation will be not less than 90 percent of the Company's Charter Capital. The acquired shares shall not grant voting rights, they shall be not taken into consideration when counting votes and dividends shall not be accrued on them. Such shares shall be realized at their market value not later than one year from the date of their acquisition. Otherwise, the General Meeting of Shareholders shall take a resolution on decreasing of the Company's Charter Capital by redemption of the mentioned shares.

20. REDEMPTION OF SHARES BY THE COMPANY AT THE REQUEST OF SHAREHOLDERS

- 20.1. Shareholders – owners of voting shares shall have the right to demand redemption by the Company of all or part of the shares owned by them in the following cases:
 - (1) Reorganization of the Company or implementation of major transaction subject to the approval of General Meeting of Shareholders in accordance with the Federal law «On Joint Stock Companies»;
 - (2) Introduction of amendments to the Company's Charter or approval of the Charter in new wording which limits their rights.
- 20.2. The request on redemption of shares can be presented by the shareholders who voted against approval by the Company of relevant resolutions or who did not participate in voting on such issues.
- 20.3. The shares redeemed by the Company shall come at its disposal and shall be realized at the price not lower than their market value not later than one year from the date of title transfer in relation to the redeemed shares to the Company. The shares redeemed by the Company, in case of its reorganization, shall be paid off at their.

PART IV. THE COMPANY'S SHAREHOLDERS

21. THE COMPANY'S SHAREHOLDERS

- 21.1. Any person coming into possession of the Company shares according to the procedure prescribed by the legislation of the Russian Federation and this Charter shall be considered a Company's Shareholder. The number of the Company's shareholders is not limited.
- 21.2. Unless otherwise prescribed by law, in case legal right of co-ownership of one or more shares of the Company possessed by two or more persons was accrued, all these persons shall be considered a single shareholder of the Company and exercise their rights of the Company shareholders, including the right to vote at the General Meeting of Shareholders, either by one of them or by their common

representative, at their discretion. The powers of each of the above persons shall be duly formalized. Co-owners of such share shall be jointly liable for all obligations committed to the Company shareholders.

- 21.3. A person, coming into possession of a fractional share of the Company in accordance with the law and this Charter, shall be considered a shareholder of the Company. A fractional share gives the shareholder the rights that are equal to the rights granted by possession of a whole share but are limited by its fraction of the whole share.
- 21.4. Legal status of the Company's shareholder depends on the scope of rights he is entitled to and obligations committed to him. The rights of the Company shareholder (s) in relation to the Company and other shareholders shall be subject to the category, type and number of shares he holds.
- 21.5. Provision of shareholders with information which contains data, considered to be State secret, shall be carried out only on the basis of access permit to the data, which is State secret, issued in accordance with the procedure established by the legislation of the Russian Federation.

22. REGISTER OF THE COMPANY'S SHAREHOLDERS

- 22.1. The rights of the Company's shareholders for the Company's shares owned by them shall be attested in the system of maintenance of the Register – records on personal accounts with holder of the Register or, in case of recording rights for the Company's shares in depository – records on depo accounts in depositories.
- 22.2. The rights for the Company's share shall be transferred to the transferee from the moment of entry by the Register's holder of the credit entry on the personal account of the transferee in the system of maintenance of the Register, and in case of recording rights for the Company's shares in depository – from the moment of entry by the person who implements the depository activity of the credit entry on the depo account of the transferee.
- 22.3. Data related to each registered person, number and categories (types) of shares registered in the name of such person as well as other data provided for in the legislation of the Russian Federation shall be indicated in the Register of the Company's Shareholders.
- 22.4. The Company shall be obliged to maintain and store the Register of the Shareholders in accordance with applicable legislation of the Russian Federation.

23. RIGHTS OF THE COMPANY'S SHAREHOLDERS

- 23.1. Shareholders (shareholder) possessing in total 1 (one) whole common share of the Company shall have 1 (one) vote at the General Meeting of Shareholders. A fractional common share shall grant to the shareholder possessing it the corresponding fracture of vote.
- 23.2. Each common registered share of the Company shall grant the shareholder possessing it the equal extent of rights, including:
 - (1) the right to participate in the Company's activity administration, including participation in General Meeting of Shareholders with the right to vote on any matters of his competence, the number of votes corresponding to the number of common shares of the Company the shareholder owns;
 - (2) the right to draw a dividend on the net profit of the Company;
 - (3) the right for the part of the Company's property in case of its liquidation;
 - (4) the right to dispose without hindrance all or part of his shares without consent of other shareholders or the Company;
 - (5) the right to request the redemption by the Company of all or part of the shares owned by him in the manner and in cases established by the legislation;
 - (6) pre-emptive right to purchase additional common shares or equity securities convertible into shares, in proportion to the number of shares of given category owned by him, if such shares are placed by way of public offering, or, subject to procedure and terms stipulated in the legislation of the Russian Federation, by way of private offering;
 - (7) when exercising the pre-emptive right to purchase additional common shares placed by the Company and other equity securities convertible into shares, - the right to pay for such placed equity securities of the Company by cash at his discretion, if the decision to place such equity securities provides for their payment by non-monetary assets;
 - (8) the right to request, in accordance with applicable legislation, the holder of the Register of Company's Shareholders to confirm his right on the shares of the Company owned by him in the form of extract from the Register of the Company's Shareholders, which is not a security;
 - (9) the right to request from the Company the extract from the list of persons granted with the right to participate in the General Meeting of Shareholders, containing information on this shareholder, or a certificate of his being not enlisted to participate in the General Meeting of Shareholders;
 - (10) the right to request from the Company the extract from the list of those entitled to demand the redemption of shares owned by him by the Company, or a certificate of his being not enlisted to demand the redemption of shares owned by him by the Company;

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- (11) the right to request from the Company the extract from the list of those entitled to pre-emption right to purchase additional common shares placed by the Company and other equity securities convertible into shares, containing information on this shareholder, or a certificate of his being not enlisted;
 - (12) the right to free access to the documents of the Company in accordance with the Federal Law on Joint-Stock Companies;
 - (13) the right to unimpaired access to information (materials) that is subject to compulsory submission to the shareholders due to exercising of their right to participate in the General Meeting of Shareholders, during preparation of the General Meeting of Shareholders;
 - (14) the right to seize the court with the claim for invalidation of a large transaction or a related-party transaction conducted by the Company unlawfully;
 - (15) in accordance with applicable legislation, the right to appeal against a decision taken by the General Meeting of Shareholders in violation of law or this Charter, in case the shareholder did not participate in the General Meeting of Shareholders or voted against this decision, which decision infringes his rights and legitimate interests;
 - (16) other rights provided for by the legislation of the Russian Federation.
- 23.3. In addition, the shareholders (shareholder), possessing in total at least 1% (one percent) of the voting shares of the Company have the right to:
- (1) request from the Company the list of those entitled to participate in the General Shareholders Meeting, provided that they are included into such list;
 - (2) in accordance with applicable legislation the shareholders (shareholder) have the right to file a suit against a member of Board of Directors or the President of the Company to reimburse the damages caused to the Company.
- 23.4. In addition to that, the owners and nominal holders of securities that have been registered in the Register of Shareholders and in total own more than 1% (one percent) of the voting shares of the Company, have the right to request from the holder of the Register of the Company's Shareholders the information from the Register of the Company's Shareholders about the name (corporate name) of shareholders that are registered in the Register of the Company's Shareholders - owners, and about the number, category and par value of securities owned by them.
- 23.5. In addition, the shareholders (shareholder), possessing in total at least 2% (two percent) of the voting shares of the Company have the right to:
- (1) enter issues to the agenda of the Annual General Meeting of shareholders, and nominate candidacies (also by way of self-nomination) to the Company's Board of Directors, Audit Commission and Counting Commission of the Company, propose an Auditor of the Company;
 - (2) nominate candidacies (also by way of self-nomination) to the Company's Board of Directors provided that the agenda proposed for the Extraordinary General Meeting of Shareholders includes the issue of election of Board of Directors members;
 - (3) in accordance with applicable legislation, the right to appeal against a decision taken by the Board of Directors of the Company to reject entering the issue in question into the agenda of the General Meeting of Shareholders or enlisting a candidacy for voting elections into corresponding body of the Company, and also against Board of Directors' evasion from taking adequate decision.
- 23.6. In addition, the shareholders (shareholder), possessing in total at least 10% (ten percent) of the voting shares of the Company have the right to:
- (1) request convening of Extraordinary General Meeting of Shareholders to consider any matters within their competence;
 - (2) convene an Extraordinary General Meeting of Shareholders if decision to convene Extraordinary General Meeting of Shareholders was not taken in accordance with applicable legislation and this Charter, or decision to object to convening the meeting was taken;
 - (3) in accordance with applicable legislation, to appeal in court against the decision of the Board of Directors to reject convening an Extraordinary General Meeting of Shareholders;
 - (4) request from the Audit Commission an extraordinary audit (inspection) of financial and economic activity of the Company; such extraordinary audit (inspection) shall be carried out at the expense of shareholder submitted the correspondent request;
 - (5) request for extraordinary independent auditing of the Company's operations; such extraordinary independent audit (inspection) shall be carried out at the expense of shareholder submitted the correspondent request.
- 23.7. In addition, the shareholders (shareholder), possessing in total at least 25% (twenty five percent) of the voting shares of the Company have the right to free access to accounting documents of the Company and the minutes of the Board.

24. OBLIGATIONS OF THE COMPANY'S SHAREHOLDERS

- 24.1. Obligations of the shareholders shall be specified by legislation of the Russian Federation and this Charter. In particular, the Company's shareholders shall:
- (1) Comply with requirements of this Charter, respect resolutions of General Meeting of Shareholders, and internal documents of the Company;

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- (2) Pay for shares and other equity securities placed by the Company on a timely basis and in accordance with other terms and conditions and the procedure specified by legislation, this Charter and internal documents of the Company;
 - (3) Inform the Company's Board of Directors, Audit Commission and the Company's Auditor on a timely basis on transactions performed by the Company and (or) potential transactions where the shareholders may be deemed as related parties. The shareholders shall provide information on legal entities where they individually or jointly with an affiliated party (parties) own 20% (twenty percent) and more of the voting stock (shares, interest), including legal entities where they hold offices in management bodies.
- 24.2. The Company's shareholders shall have no right to act on behalf of the Company if not duly authorized in accordance with the procedure established by the law.

PART V. MANAGEMENT BODIES OF THE COMPANY

25. STRUCTURE OF THE COMPANY'S MANAGEMENT BODIES

- 25.1. The management in the Company shall be performed through the Company's management bodies.
- 25.2. The management bodies of the Company shall be the General Meeting of Shareholders, the Board of Directors, the Management Board (the collegiate executive body of the Company) and the President (Sole Executive Body of the Company).
- 25.3. The Company shall have a right to form additional internal structural establishments (inclusive of counsels, committees, commissions) to be subordinate to the correspondent management body of the Company.

26. GENERAL MEETING OF SHAREHOLDERS

- 26.1. The General Meeting of Shareholders shall be the supreme management body of the Company.
- 26.2. The General Meeting of Shareholders shall perform its activities in accordance with this Charter, the Company's internal documents approved by the General Meeting of Shareholders of the Company and the current legislation of the Russian Federation.
- 26.3. The Company shall be obliged to hold an annual (regular) General Meeting of Shareholders yearly.
- 26.4. The Annual General Meeting of Shareholders shall make decisions concerning the election of the Company's Board of Directors and Audit Commission, the approval of the Company's Auditor, issues stipulated in Subparagraph 27.1.19 hereof, and approve other matters within the competence of the General Meeting of Shareholders.
- 26.5. All other General Meetings of Shareholders besides the Annual Shareholders' Meeting shall be deemed extraordinary. The Extraordinary General Meeting of Shareholders shall make decisions concerning the early termination of powers of the members of the Company's Board of Directors and the election of the Company's Board of Directors, concerning the early termination of powers of the members of Audit Commission and the election of the Company's Audit Commission, the approval of the Company's Auditor, and approve other matters considered in the legislation of the Russian Federation.

27. COMPETENCE OF THE GENERAL MEETING OF SHAREHOLDERS

- 27.1. The following issues shall be within the competence of the General Meeting of Shareholders:
 - (1) **making amendments and addenda to this Charter (except for cases where the approval of respective issue is within the competence of the Company's Board of Directors), and approval of a restated Charter;**
 - (resolution shall be adopted by $\frac{3}{4}$ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
 - (2) **reorganization of the Company;**
 - (resolution on the reorganization of the Company into a non-commercial partnership shall be adopted only at the suggestion of the Company's Board of Directors by unanimous voting of all shareholders of the Company;
 - resolutions on the reorganization of the Company in any other forms shall be adopted only at the suggestion of the Company's Board of Directors by $\frac{3}{4}$ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
 - (3) **liquidation of the Company, appointment of the liquidation commission and approval of interim and final liquidation balances;**
 - (resolution shall be adopted by $\frac{3}{4}$ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
 - (4) **determination of the size of the Company's Board of Directors, election of its members and decision making on early termination of powers of all members of the Company's Board of**

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- Directors, and approval of resolutions on payment of remunerations and/or reimbursement of expenses for the Company's Board of Directors members for the time of their holding office;**
- (resolution on the election of the Company's Board of Directors members shall be adopted by cumulative voting. In cumulative voting, the number of votes belonging to each shareholder shall be multiplied by the number of persons to be elected to the Company's Board of Directors, and the shareholder may cast all votes in favor of one candidate or distribute them between two or more candidates. The candidates who receive the greatest number of votes shall be deemed elected to the Board of Directors;
 - resolutions on any other issues shall be adopted by a simple majority of votes (over ½ (half) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (5) **determination of number, par value and category (class) of authorized shares of the Company and rights provided by these shares;**
- (resolution shall be adopted by ¾ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (6) **increase of the Company's Charter Capital by way of increasing the par value of the Company's shares;**
- (resolution shall be adopted only at the suggestion of the Company's Board of Directors by a simple majority (over ½ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (7) **increase of the Company's Charter Capital by way of placement of additional shares only among the Company's shareholders in case of increasing the Charter Capital of the Company out of its assets;**
- (resolution shall be adopted only at the suggestion of the Company's Board of Directors by a simple majority (over ½ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (8) **increase of the Company's Charter Capital by way of placement of additional shares of the Company by closed subscription;**
- (resolution shall be adopted only under suggestion of the Company's Board of Directors by ¾ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (9) **increase of the Company's Charter Capital by way of placement by open subscription of the Company's common shares that constitute over 25% (twenty five percent) of previously placed common shares of the Company;**
- (resolution shall be adopted only under suggestion of the Company's Board of Directors by ¾ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (10) **if the Company receives a suggestion concerning voluntary or obligatory acquisition of shares or any other equity securities convertible into the Company's shares – increase of the Company's Charter Capital by way of placement of additional shares within the limits of quantity and categories (types) of the declared shares, in accordance with the procedure considered in the law;**
- (resolution shall be adopted only under suggestion of the Company's Board of Directors by a simple majority (over ½ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders, exclusive of issues concerning increase of the Company's Charter Capital by way of placement of additional shares of the Company by closed subscription and by way of placement by open subscription of the Company's common shares that constitute over 25% (twenty five percent) of previously placed common shares of the Company, resolutions in terms of these issues shall be adopted only under suggestion of the Company's Board of Directors by ¾ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (11) **decrease of the Company's Charter Capital by way of decreasing the par value of the Company's shares;**
- (resolution shall be adopted only at the suggestion of the Company's Board of Directors by ¾ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (12) **decrease of the Company's Charter Capital by way of acquisition of some shares by the Company to reduce their total number, as well as by way of the redemption of shares acquired and repurchased by the Company;**
- (resolution shall be adopted by a simple majority of votes (over ½ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (13) **placement of equity securities convertible into the Company's common shares by way of closed subscription;**
- (resolution shall be adopted by ¾ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (14) **placement of equity securities convertible into the Company's common shares by way of open subscription in case of placement of equity securities converted into the Company's**
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- common shares that constitute over 25% (twenty five percent) of previously placed common shares of the Company;**
- (resolution shall be adopted only at the suggestion of the Company's Board of Directors by $\frac{3}{4}$ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (15) **placement of equity securities convertible into shares and inclusive of options of the Company, if the Company receives a suggestion concerning voluntary or obligatory acquisition of shares or any other equity securities convertible into the Company's shares, in accordance with the procedure considered in the law;**
- (resolution shall be adopted only under suggestion of the Company's Board of Directors by a simple majority (over $\frac{1}{2}$ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders, exclusive of issues concerning placement of equity securities convertible into the Company's common shares by way of closed subscription and placement of equity securities convertible into the Company's common shares by way of open subscription in case of placement of equity securities converted into the Company's common shares that constitute over 25% (twenty five percent) of previously placed common shares of the Company, resolutions in terms of these issues shall be adopted only under suggestion of the Company's Board of Directors by $\frac{3}{4}$ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (16) **determination of the size of the Company's Audit Commission, election of Audit Commission members and decision making on early termination of their powers, and approval of resolutions on payment of remunerations and/or reimbursement of expenses for the Company's Audit Committee members for the time of their holding office;**
- (resolution on election of Audit Commission members shall be adopted only at the suggestion of the Company's Board of Directors by a simple majority (over $\frac{1}{2}$ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders and are either Board of Directors members nor persons holding office in the management bodies of the Company;
 - resolutions on any other issues shall be adopted by a simple majority of votes (over $\frac{1}{2}$ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (17) **approval of the Company's Auditor;**
- (resolution shall be adopted by a simple majority (over the $\frac{1}{2}$ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (18) **payment (declaration) of dividends on the basis of results of the first quarter, the half and nine months of the financial year;**
- (resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (19) **approval of the Company's Annual Reports, Annual Financial Statements, including Profit & Loss Reports (Profit & Loss Accounts), and distribution of profits (including the payment (declaration) of dividends) except for profits distributed as dividends on the basis of results of the first quarter, the half and nine months of the financial year) and losses of the Company on the basis of results of the financial year;**
- (resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (20) **determination of procedure for conducting the General Meeting of Shareholders;**
- (resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (21) **determination of the size of the Counting Commission, election of members to the Counting Commission and early termination of their powers;**
- (resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (22) **consolidation and splitting of shares;**
- (resolution shall be adopted only at the suggestion of the Company's Board of Directors by a simple majority (over $\frac{1}{2}$ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)
- (23) **approval of related-party transactions in due course of law and this Charter, if the subject of the transaction or some interrelated transactions is the property amounting, according to the Company's accounting statements (offer price of the acquired property), to at least 2% (two percent) of the Company's book value in accordance with the Company's accounting statements as of the last reporting date, except for transactions stipulated in Subparagraphs 27.1.24 and 27.1.25 hereof;**
- (24) **approval of related-party transactions in due course of law and this Charter, if the subject of the transaction or some interrelated transactions are the placement by subscription or sale of shares amounting to over 2% (two percent) of common shares previously placed by the Company, and common shares in which previously placed equity securities convertible into shares may be converted;**
- (25) **approval of related-party transactions in due course of law and this Charter, if the subject of the transaction or some interrelated transactions are the placement by subscription of equity**
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- securities convertible into shares which may be converted into common shares amounting to over 2% (two percent) of common shares previously placed by the Company, and common shares in which previously placed equity securities convertible into shares may be converted;
- (26) **approval of related-party transactions in due course of law and this Charter, if in adopting by the Board of Directors of a resolution to approve a related-party transaction, the number of non-interested Directors in any other cases not stipulated in Subparagraphs 27.1.3 – 27.1.25 hereof is less than the quorum established by this Charter to conduct meetings of the Company’s Board of Directors, and respective issue is laid by the Board of Directors before the General Meeting of Shareholders for approval;**
- (27) **approval of related-party transactions in due course of law and this Charter, if in adopting by the Board of Directors of a resolution to approve a related-party transaction, all members of the Company’s Board of Directors in any other cases not stipulated in Subparagraphs 27.1.3 – 27.1.25 hereof are considered interested persons and/or are not independent Directors, and respective issue is laid by the Board of Directors before the General Meeting of Shareholders;**
- (resolutions on approval of related party transactions shall be adopted in all aforesaid cases (23) – (27) only at the suggestion of the Company’s Board of Directors by a simple majority (over ½ (half)) of votes of all shareholders owning voting shares of the Company who are non-interested in transaction);
- (28) **in cases of the receipt by the Company of a voluntary or mandatory offer to acquire shares and other equity securities convertible into the Company’s shares in accordance with the Federal Law “On Joint Stock Companies”;**
- (resolution shall be adopted by a simple majority (over ½ (half)) of votes of all shareholders owning voting shares of the Company who are non-interested in transaction);
- (29) **approval of major transactions in accordance with the Law “On Joint Stock Companies” and this Charter in the case when the subject of such transaction is the property amounting to at least 50% (fifty percent) of the Company’s book value determined in accordance with the Company’s accounting statements as of the last reporting date;**
- (resolution shall be adopted only at the suggestion of the Company’s Board of Directors by ¾ (three-quarter) qualified majority of votes of shareholders owning the Company’s voting shares who participate in the General Meeting of Shareholders)
- (30) **approval of major transactions in accordance with the Law “On Joint Stock Companies” and this Charter in the case when the consensus of the Company’s Board of Directors members on the approval of a major transaction stipulated in Subparagraph 32.2.19 hereof has not been reached and respective issue is laid by the Board of Directors before the General Shareholders in due course of law;**
- (resolution shall be adopted only at the suggestion of the Company’s Board of Directors by a simple majority (over ½ (half)) of votes of shareholders owning the Company’s voting shares who participate in the General Meeting of Shareholders)
- (31) **adoption of resolutions on participation in holding companies, financial and industrial groups, associations and other alliances of business entities;**
- (resolution shall be adopted only at the suggestion of the Company’s Board of Directors by a simple majority (over ½ (half)) of votes of shareholders owning the Company’s voting shares who participate in the General Meeting of Shareholders)
- (32) **approval of internal documents governing the activities of the Company’s management bodies;**
- (resolution shall be adopted only at the suggestion of the Company’s Board of Directors by a simple majority (over ½ (half)) of votes of shareholders owning the Company’s voting shares who participate in the General Meeting of Shareholders)
- (33) **delegation of powers of the Individual Executive Body to a commercial organization (managing organization) or individual entrepreneur (manager) under a contract, and making decision on early termination of powers of such management organization or manager;**
- (resolution shall be adopted only at the suggestion of the Company’s Board of Directors by a simple majority (over ½ (half)) of votes of shareholders owning the Company’s voting shares who participate in the General Meeting of Shareholders)
- (34) **approval of a transaction or some interrelated transactions dealing with the acquisition, alienation of or possibility to alienate by a joint stock company, directly or indirectly, of property amounting to at least 10 percent of the Company’s book value determined in accordance with the Company’s accounting statements as of the last reporting date, provided that such transactions are not performed in the course of ordinary business or have not been performed before obtaining by the Company of a voluntary or mandatory offer to acquire shares and equity securities convertible into the Company’s shares in accordance with the Federal Law “On Joint Stock Companies”;**
- (resolution shall be adopted by a simple majority (over ½ (half)) of votes of shareholders owning the Company’s voting shares who participate in the General Meeting of Shareholders)
- (35) **increase in remuneration to persons holding office in the management bodies of the Company, setting terms and conditions for the termination of powers thereof including the**
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assignment or increase of compensation paid to such persons in case of termination of their powers, and in case of obtaining a voluntary or mandatory offer to acquire shares and other equity securities convertible into the company's share in accordance with the Federal Law "On Joint Stock Companies";

- (resolution shall be adopted by a simple majority (over ½ (half)) of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)

(36) **in case of obtaining a voluntary or mandatory offer to acquire shares and other equity securities convertible into the company's shares - Acquisition of placed shares by the Company;**

- (resolution shall be adopted only at the suggestion of the Company's Board of Directors by ¾ (three-quarter) qualified majority of votes of shareholders owning the Company's voting shares who participate in the General Meeting of Shareholders)

(37) **other issues stipulated in the Law "On Joint Stock Companies" and this Charter.**

27.2. Issues falling within the scope of competence of the General Meeting of Shareholders may not be transferred for decision of the Board of Directors or any other executive body of the Company.

27.3. The General Meeting of Shareholders may not consider and adopt resolutions on issues not assigned to its competence.

27.4. The General Meeting of Shareholders may not adopt resolutions on issues not placed on the agenda of the Meeting and change the agenda of the Meeting.

28. PREPARATION FOR AND CONVOCAION OF GENERAL MEETING OF SHAREHOLDERS

28.1. The Annual General Meeting of Shareholders shall be held no earlier than 2 (two) months and no later than 6 (six) months after the end of the financial year.

28.2. An Extraordinary General Meeting of Shareholders shall be held pursuant to a resolution of the Company's Board of Directors on the basis of its own initiative, a request by the Company's Audit Commission, the Auditor of the Company and shareholders (a shareholder) owning in aggregate at least 10% (ten percent) of voting shares of the Company on the date the demand is made. An Extraordinary General Meeting of Shareholders shall be convened by the Board of Directors of the Company.

28.3. The resolution of the Board of Directors to call or a motivated resolution to refuse to call an Extraordinary General Meeting of Shareholders shall be forwarded to persons demanding the convocation of the meeting no later than within 3 (three) days following adopting such resolution.

28.4. The list of persons entitled to participate in a General Meeting of Shareholders shall be compiled on the basis of data in the Register of Shareholders of the Company as at the certain date to be established by the Company's Board of Directors in accordance with applicable legislation of the Russian Federation and this Charter.

28.5. In preparing for the holding a General Meeting of Shareholders the Board of Directors shall determine:

- the form of holding the meeting (joint presence or absentee voting);
- date, place and time of holding the General Meeting of Shareholders and (or) the last date on which voting ballots will be accepted by the Company and the postal address to which the completed ballots shall be sent;
- the date and time for beginning the registration of persons entitled to participate in the General Meeting of Shareholders, conducted in the form of joint presence;
- the date of completion of the list of persons entitled to participate in the General Meeting of Shareholders;
- agenda of General Meeting of Shareholders;
- the manner of notifying shareholders about the holding of a General Meeting of Shareholders;
- the list of information (materials) to be provided to shareholders in preparing for the holding the General Meeting of Shareholders and the procedure for the provision of such information;
- the form and text of voting ballots to vote in case of voting by ballots.

28.6. The agenda of the Annual General Meeting of Shareholders must include issues dealing with the election of the Board of Directors and Audit Commission, the approval of the Auditor and Annual Reports, Annual Financial Statements, Profit & Loss Report of the Company.

28.7. The Board of Directors of the Company may not make amendments to the wording of issues proposed to be included in the agenda of the General Meeting of Shareholders, and the wording of resolutions on such issues.

28.8. Voting at the General Meeting of Shareholders shall be conducted by voting ballots. The Company shall be obliged to send voting ballots and deliver them against signature to each person specified in the list of persons entitled to participate in the General Meeting of Shareholders in the manner required by the legislation of the Russian Federation.

28.9. The notice of holding the General Meeting of Shareholders shall be sent at least 30 days prior the date of the meeting, if not a longer term is provided for by the legislation of the Russian Federation.

28.10. If a person, registered in the Register of the Company's shareholders, is a nominee shareholder, the notice of holding the General Meeting of Shareholders shall be sent to the address of the nominee

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- shareholder, if in the list of the persons entitled to participate in the General Meeting of Shareholder the other postal address is not specified, where the notice of holding the General Meeting of Shareholders shall be sent.
- 28.11. Additional requirements concerning the procedure for preparation for and convocation of a General Meeting of Shareholders shall be set by the legislation of the Russian Federation and internal documents of the Company.
- 28.12. The list and procedure for provision of shareholders with the materials and information relating to the agenda items of General Meeting of Shareholders shall be determined by the requirements of the applicable legislation of the Russian Federation and the By-Law on General Meeting of Shareholders.
- 28.13. Suggestions on including any issues in the agenda of the General Meeting of Shareholders and proposals on nomination of candidates for the Company's management bodies to be elected by the General Meeting of Shareholders shall be made by the Company's Shareholders owning at least 2 percent of the Company's voting shares no later than after **100** days following the end of the financial year.

29. PROCEDURE FOR HOLDING THE GENERAL MEETING OF SHAREHOLDERS

- 29.1. The General Meeting of Shareholders shall be held in the form of joint presence of the Company's shareholders to discuss agenda items and adopt resolutions on issues put to the vote. The Chairman of the General Meeting of Shareholders shall be the Chairman of the Company's Board of Directors or, in his (or her) absence, a person appointed by the General Meeting of Shareholders. The Secretary of the General Meeting of Shareholders shall be the Corporate Secretary of the Company or the person appointed by the General Meeting of Shareholders.
- 29.2. A resolution of the General Meeting of Shareholders can also be adopted without conducting a meeting by absentee voting.
- 29.3. A General Meeting of Shareholders the agenda of which includes issues dealing with the election of the Company's Board of Directors and Audit Commission, the approval of the Auditor of the Company and other issues stipulated in Subparagraph 27.1.19 hereof can not be held in the form of absentee voting.
- 29.4. Persons included in the list of persons entitled to participate in a General Meeting of Shareholders and persons to whom the rights of the said persons were transferred by succession or as a result of reorganization, or representative thereof acting on the basis of a voting trust certificate or at law shall be entitled to participate in a General Meeting of Shareholders. When conducting the General Meeting of Shareholders in the form of joint presence persons included in the list of persons entitled to participate in the General Meeting of Shareholders (their representatives), have a right to participate in the meeting or send the filled-in voting ballots to the Company. While determining the quorum and summarizing the voting results at the General Meeting of Shareholders, conducted in the form of the joint presence, in addition to the votes of the shareholders registered for participation in the General meeting of Shareholder, the votes of shareholders who sent their voting ballots to the Company address shall be taken into account, under condition that the voting ballots were received by the Company not later than 2 day before conducting of the General Meeting of Shareholders.
- 29.5. The registration of persons participating in the General Meeting of Shareholders in the form of joint presence shall be made by the Company's Counting Commission in the membership of at least 3 persons. In case the Counting Commission has not been established in the Company, its functions shall be performed by the Secretary of the Company or other person authorized by the Company's Board of Directors, including the Registrar of the Company. The Counting Commission shall examine the powers of persons registering for participation in General Meeting of Shareholders, and also examine the Power of Attorney of the shareholders' representatives in order to determine whether they comply with the applicable legislation of the Russian Federation.
- 29.6. The General Meeting of Shareholders in the form of joint presence shall be declared open if by the time of its beginning there is a quorum with respect to at least one of issues included in the agenda of the General Meeting of Shareholders. The registration of persons entitled to participate in the General Meeting of Shareholders but not registered before its opening shall end not earlier than upon completion of discussing the last agenda item of the General Meeting of Shareholders with respect to which there is a quorum.
- 29.7. In case the agenda of the General Meeting of Shareholders includes items, which are voted by different compositions of voters, the quorum to adopt resolutions on these items shall be determined separately. At that, the absence of quorum to adopt resolutions on items which are voted by one composition of voters shall not hinder the adoption of resolutions on items which are voted by other composition of voters and for the adoption of which there is a quorum.
- 29.8. The quorum of the General Meeting of Shareholders shall be determined subject to composition of voters with respect to corresponding issues included in the agenda of the General Meeting of Shareholders.

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- 29.9. All shareholders owning common shares of the Company shall be included in the composition of voters with respect to any issues put on the agenda of the General Meeting of Shareholders, except for:
- the issue dealing with approval of a related-party transaction (Subparagraph 27.1.23 – 27.1.28 hereof) – the Company's shareholders who are deemed interested in the performance of such transaction in due course of law shall not be included in the composition of voters;
 - the issue dealing with the election of the Company's Audit Commission – the Company's shareholders who are members of the Board of Directors or persons holding office in the management bodies of the Company shall not be included in the composition of voters.
- 29.10. The quorum of the General Meeting of Shareholders with respect to the reorganization of the Company into a non-commercial partnership shall be determined as 100% (hundred percent) of voters on this issue. The quorum of the General Meeting of Shareholders with respect to any other issues put on the agenda of the General Meeting of Shareholders shall be determined as a simple majority (over ½ (half)) of votes of shareholders owning the Company's shares voting on respective issue.
- 29.11. In the presence of a quorum, the number of votes set forth in Paragraph 27.1 hereof which is necessary to adopt respective resolution of the General Meeting of Shareholders shall be determined on the basis of the total number of votes of shareholders owning voting shares of the Company who participated in the General Meeting of Shareholders, except for issues dealing with voting on the reorganization of the Company into a non-commercial partnership and approval of related-party transactions (Subparagraph 27.1.23 – 27.1.28 hereof). In said cases the number of votes necessary to adopt respective resolution shall be determined on the basis of the total number of votes of shareholders owning voting shares of the Company who are entered into the composition of voters on respective issue.
- 29.12. In case there is no quorum present with respect to any of issues put on the agenda of the General Meeting of Shareholders by the beginning of the General Meeting of Shareholders, the General Meeting of Shareholders may be postponed until later but no more than for 2 (two) hours.
- 29.13. In case there is no quorum present for the Annual General Meeting of Shareholders, a repeated General Meeting of Shareholders with the same agenda is to be convened. In case there is no quorum for an Extraordinary General Meeting of Shareholders, a repeated General Meeting of Shareholders with the same agenda may be convened. The repeated General Meeting of Shareholders is deemed to be legally qualified if it is attended by shareholders who jointly own not less than 30 percent of votes of the placed shares of the Company.
- 29.14. The notice of holding repeated General Meeting of Shareholders shall be provided in accordance with paragraphs 28.9, 28.10 hereof. Sending of voting ballots for voting at the repeated General Meeting of Shareholders shall be carried out in accordance with the procedure specified in the legislation of the Russian Federation.
- 29.15. If the repeated General Meeting of Shareholders is conducted not less than 40 days after aborted General Meeting of Shareholders, persons entitled to participate in the General Meeting of Shareholders, shall be determined in accordance with the list of persons who was entitled to participate in the aborted General Meeting of Shareholders.
- 29.16. Voting at the General Meeting of Shareholders shall be conducted according to the principle "one voting share equals one vote", except for cumulative voting in the case provided for by the Federal Law "On Joint Stock Companies".
- 29.17. Additional requirements concerning the procedure for conducting the General Meeting of Shareholders shall be set by the legislation of the Russian Federation and internal documents of the Company.

30. DOCUMENT OF THE GENERAL MEETING OF SHAREHOLDERS

- 30.1. The Counting Commission shall compile a Voting Results Record which shall be signed by members of the Counting Commission or a person performing the functions thereof. The Voting Results Record shall be prepared no later than within 15 (fifteen) days following the closing of the General Meeting of Shareholders or the last date on which voting ballots will be accepted by the Company in conducting the General Meeting of Shareholders in the form of absentee voting.
- 30.2. Resolutions approved by the General Meeting of Shareholders and voting results shall be announced at the General Meeting of Shareholders where the voting was conducted, or brought to the attention of persons included in the list of persons entitled to participate in the General Meeting of Shareholders no later than within 10 (ten) days following the compilation of the Voting Results Record in the form of the Voting Results Report, in accordance with the procedure stipulated for announcing the General Meeting of Shareholders. The Voting Results Report shall be signed at the General Meeting of Shareholders by the Chairman of the General Meeting of Shareholders and the Secretary of the General Meeting of Shareholders. Voting results concerning election of the Board of Directors and the Audit Commission of the Company shall be announced at the General Meeting of Shareholders and shall take effect as from the moment of announcement.

- 30.3. The Voting Results Record shall be entered upon the Minutes of the General Meeting of Shareholders.
- 30.4. The Minutes of the General Meeting of Shareholders shall be drawn up no later than within 15 (fifteen) days following 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.
- 30.5. After compiling the Voting Results Record and signing the Minutes of the General Meeting of Shareholders voting ballots shall be sealed by the Counting Commission and filed in archives of the Company.
- 30.6. Additional requirements concerning the form and procedure for preparing of documents of the General Meeting of Shareholders shall be set by the legislation of the Russian Federation and internal documents of the Company.

31. BOARD OF DIRECTORS OF THE COMPANY

- 31.1. The Board of Directors of the Company shall carry out overall management of Company's activities with the exception of making decision on issues assigned to the competence of the General Meeting of Shareholders under the Federal Law "On Joint Stock Companies" and this Charter.
- 31.2. A natural person only can be a member of the Board of Directors of the Company. Persons elected members of the Board of Directors of the Company may be re-elected an unlimited number of times. A person who is a Shareholder of the Company may not be a member of the Board of Directors of the Company. Requirements applied to the persons to be elected to the Board of Directors of the Company may be specified in the By-Law on the Board of Directors.
- 31.3. A person acting as Company's President shall not be a Chairman of the Board of Directors of the Company at the same time.
- 31.4. Members of the Board of Directors of the Company shall be elected by the General Meeting of Shareholders according to the procedure under the Federal Law "On Joint Stock Companies" and hereunder for a term to the following Annual General Meeting of Shareholders. In case the Annual General Meeting of Shareholders has not been held within the specified period, the powers of the Board of Directors of the Company shall terminate except for the powers related to preparing, calling and holding the Annual General Meeting of Shareholders of the Company.
- 31.5. The number of members of the Board of Directors of the Company shall be determined by a resolution of the General Meeting of Shareholders, but shall not be less than 7 members.
- 31.6. The Chairman of the Board of Directors of the Company shall organize and manage the Board of Directors activity. The Chairman of the Board of Directors shall preside over meetings of Company's Board of Directors, arrange minutes to be kept at meetings, preside over a General Meeting of Shareholders.
- 31.7. A Chairman of the Board of Directors and a Deputy Chairman shall be elected by members of the Board of Directors among Directors by the majority of votes of the total number of members of Company's Board of Directors. The Board of Directors of the Company shall be entitled to re-elect any time the Chairman of Company's Board of Directors by the majority of votes of the total number of members of Company's Board of Directors.
- 31.8. Board of Directors members shall be loyal to the Company and perform their duties in good faith and for the most benefit of the Company.
- 31.9. The Board of Directors of the Company shall annually report on its activity to the General Meeting of Shareholders.
- 31.10. Duties of members of Company's Board of Directors shall be stipulated by the legislation of the Russian Federation, this Charter and internal documents of the Company. Members of Company's Board of Directors, in particular, shall:
 - (1) satisfy requirements hereof and resolutions of the General Meeting of Shareholders of the Company;
 - (2) provide the Company in due time with data on themselves and their affiliated entities and update such data according to the procedure under the legislation of the Russian Federation;
 - (3) inform in due time Company's Board of Directors, Company's Auditing Commission and Company's Auditor on transactions, known to them, that are made and/or supposed to be made by the Company, in which they can be deemed related parties, with giving information on legal entities where they own either by themselves or jointly with their affiliated entity (entities) 20% (twenty percent) or over 20 % of voting shares (interests or equity stakes) as well as on legal entities where they hold positions in managerial bodies.
- 31.11. According to the resolution of the General Meeting of Shareholders, members of the Company's Board of Directors may be paid remuneration for execution of their duties and reimbursement for expenses related to their performance as Board of Directors members. Amounts of such remuneration and reimbursement shall be fixed by the resolution of the General Meeting of Shareholders. According to the resolutions adopted by the management bodies of the Company, liabilities of the members of the Board of Directors may be insured, while they perform their obligations.

32. COMPETENCE OF BOARD OF DIRECTORS OF THE COMPANY

- 32.1. In order to ensure a stable financial position and competitive ability of the Company, the Board of Directors shall provide forming of an effective organization structure and a management system of the Company, develop the general strategic and tactical objectives and assist the Company in achieving the objectives.
- 32.2. The following matters fall within the competence of the Board of Directors of the Company:
- (1) **determination of the priority areas of activities of the Company, determination of development strategy for the Company, and approval of annual budgets (financial plans) of the Company, consideration of priority areas of activities and development strategy of the subsidiary companies;**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
 - (2) **approval of an organization structure of the Company (specifying the top executive officers of the Company and structural subdivisions of the Company directly subordinate (reporting) to the President of the Company);**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
 - (3) **consideration of financial and economic activity results of the Company and its subsidiaries and affiliates; preliminary consideration of annual reports and accounting reports of the Company;**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
 - (4) **calling of Annual and Extraordinary General Meeting of Shareholders, except for the cases provided for in Subparagraph 23.6.2 hereof;**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
 - (5) **approval of the agenda of General Meeting of Shareholders;**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
 - (6) **fixing the date for making a list of persons entitled to participate in a General Meeting of Shareholders of the Company, and other matters related to preparation and holding of a General Meeting of Shareholders and Board of Directors meetings within the competence of the Board of Directors under the legislation of the Russian Federation and hereunder;**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
 - (7) **increase of the Charter Capital of the Company by means of placement by the Company of additional shares by open subscription except as provided in Subparagraphs 27.1.9 and 27.1.10 of this Charter;**
 - (a resolution shall be approved unanimously by all members of the Board of Directors without regard to retired members of the Board of Directors)
 - (8) **increase of the Charter Capital of the Company by means of placement by the Company of additional shares by conversion of earlier issued securities converted into such shares;**
 - (a resolution shall be approved unanimously by all members of the Board of Directors without regard to retired members of the Board of Directors)
 - (9) **placement by the Company of bonds and other issued securities (including issued securities convertible into shares in the Company) unless adoption of relevant resolution is within the competence of the General Meeting of Shareholders of the Company;**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
 - (10) **determination of the price (monetary value) of property subject to transactions made by the Company as well as the price of placement and redemption of issued securities of the Company under the legislation of the Russian Federation;**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting. If a person, who is a related party to a transaction or several transaction, and the property price (monetary value) is determined by the Board of Directors (supervisory council) of the Company, is the member of the Board of Directors (supervisory council) of the Company, the property price (monetary value) shall be determined under resolution of the members of the Board of Directors (supervisory council) of the Company, who are not related party to the transaction.)
 - (11) **acquisition of shares, bonds and other securities placed by the Company in cases and under the procedure stipulated by the legislation of the Russian Federation, exclusive of cases when such acquisition is related to reduction of the Company's Charter Capital;**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
 - (12) **appointment of the President of the Company, determination of the quantitative composition of the Management Board, election of its members, approval of conditions stipulated in a contract to be concluded with the President and members of the Management Board of the**

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- Company, early termination of powers of the President and members of the Management Board of the Company;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
- (13) **recommendations to the General Meeting of Shareholders on the amount of remuneration and (or) compensation to be paid to the members of Company's Auditing Commission and determination of the amount to be paid for the services of Company's Auditor;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
- (14) **recommendations to the General Meeting of Shareholders on the amount of the dividend on shares and the procedure for payment thereof;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
- (15) **use of Company's reserve fund and other funds, and approval of the internal documents governing the procedure of the Company's funds forming and use;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
- (16) **approval of internal documents of the Company, with the exception of internal documents to be approved by the General Meeting of the Company Shareholders, governing principals of the Company activity in the following spheres:**
- **strategy, investments, new types of the Company activity;**
 - **strategy for personnel management and remuneration;**
 - **participation in subsidiary companies, groups or amalgamations, establishment and activities of branches and representative offices;**
 - **corporate management;**
 - (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting).
- (17) **Approval of the Code of corporate conduct of the Company and By-Law on Risks management of the Company;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
- (18) **establishment of branches and opening of representative offices of the Company and adoption of the resolution on their liquidation; approval of Statutes on Branches and Representative Offices and adoption of the resolution on entering of supplements and amendments into this Charter related to establishment of branches and opening of representative offices of the Company as well as their liquidation;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
- (19) **approval of transactions related to the property which value varies from 100 000 000 (one hundred million) US dollars up to 50% (fifty percent) of the book value of the Company's assets determined according to its accounting statements as of the last accounting date, including approval of transactions which shall be deemed major transactions under the Federal Law "On Joint Stock Companies".**
- (a resolution on approval of transactions which are not to be deemed major, according to the Federal Law on Joint Stock Companies, shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting;
 - a resolution on approval of major transactions specified in this Subparagraph shall be adopted unanimously by all members of the Board of Directors without regard to retired members of the Board of Directors)
- (20) **approval of related-party transactions according to the procedure under the Federal Law "On Joint Stock Companies" unless approval of relevant resolution is within the competence of the General Meeting of Shareholders of the Company in compliance herewith, Subparagraph 27.1.23 – 27.1.28;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of all Board of Directors members which are not related parties in the transaction)
- (21) **approval of the registrar of the Company and of the terms and conditions of the agreement with it and on termination of the agreement with it;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
- (22) **approval of a candidate to be a management company (governor) and terms and conditions of an agreement with it in order to enter into the agenda of the General Meeting of Shareholders of the Company the item of delegation of powers of a sole executive body of the Company to such management company (governor);**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
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- (23) **suspension of powers of a management company (governor) simultaneously with the adoption of the resolution on establishment of a temporary sole executive body of the Company as well as on holding of an Extraordinary General Meeting of Shareholders for making a decision on early termination of management company (governor) powers and delegation of Company's sole executive body powers to a management company (governor);**
- (a resolution shall be adopted by the qualified majority of $\frac{3}{4}$ (three fourth) of votes of all members of the Board of Directors without regard to retired members of the Board of Directors)
- (24) **adoption of resolutions relating to realization of shares in the Company, redeemed and acquired on other basis and passed into the hands of the Company, in compliance with the requirements of the Federal Law "On Joint Stock Companies" and hereof;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (25) **approval of resolutions on issue, issue prospectus, closing reports and reports on acquisition by the Company of Company's securities;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (26) **entering into a General Meeting of Shareholders agenda of items set forth in this Charter and applicable law;**
- (a resolution on entering into a General Shareholders Meeting agenda of all specified items shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (27) **adoption of a resolution on participation and termination of participation of the Company in other organizations (exclusive of cases when adoption of the correspondent resolutions falls under competence of the Company's General Meeting of Shareholders according to the subparagraph 27.1.31 hereof), including resolutions on establishment of subsidiaries and affiliates of the Company;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (28) **discussion of candidates and approval of candidates nominated for election into managerial bodies and Auditing Commissions of subsidiaries and affiliates of the Company;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (29) **approval of requirements to skills level, principles of work evaluation and a system of motivation as well as supervision of activity of Company's top executive officers, directly subordinate (reporting) to the President of the Company;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (30) **approval for holding by President and members of the Management Board of the company of positions in managerial bodies of other organizations;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (31) **recommendations concerning a voluntary or mandatory offer received by the Company in compliance with the Federal Law "On Joint Stock Companies", Chapter XI.I, including the evaluation of the offered price of acquired securities and the market price subject to change after acquisition, evaluation of plans of the person, who forwarded the voluntary or mandatory offer, with regard to the Company as well as to Company's employees;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (32) **establishment of a coordination procedure with economic entities and organizations in which equity capitals the Company owns shares and equity stakes;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (33) **appointment of a Corporate Secretary of the Company and termination of Corporate Secretary's powers, as well as approval of principles relating to assessment of work of the Corporate Secretary and remuneration system;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (34) **consideration of candidates for constitution positions of top executive officers of the Company, directly subordinate (reporting) to the President of the Company;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
- (35) **approval of the form of trade mark and logotype and other visual means of identification of the Company;**
- (a resolution shall be adopted by a simple majority (over $\frac{1}{2}$ (half amount)) of votes of Board of Directors members participating in the meeting)
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- (36) **establishment of committees and other internal structural subdivisions with Company's Board of Directors, definition of their powers and approval of personal composition of committees, определение их полномочий и утверждение персонального состава;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
- (37) **development of the Company's position in terms of corporate disputes;**
- (a resolution shall be adopted by a simple majority (over ½ (half amount)) of votes of Board of Directors members participating in the meeting)
- (38) **adoption of resolutions on other issues within the competence of the Board of Directors under the Federal Law "On Joint Stock Companies" and this Charter and contractual obligations of the Company,** as well as foreign legislation applicable to the Company as an issuer of securities placed outside the Russian Federation.
- 32.3. Questions falling within the scope of competence of the Board of Directors of the Company may not be transferred for decision of the Management Board of the Company.
- 32.4. Resolutions made by the Board of Directors within its competence shall be binding for the management Board, the President and employees of the Company.

33. MEETINGS OF THE BOARD OF DIRECTORS OF THE COMPANY

- 33.1. The Board of Directors of the Company shall organize its work in the form of meetings carried out as joint presence of Board of Directors members and based on free collective discussion of agenda issues for adoption of resolutions within its competence. The Board of Directors may adopt resolutions, if necessary, by absentee voting. The decision on Company's Board of Directors meeting to be held in the form of absentee voting shall be made by the Chairman of the Board of Directors.
- 33.2. The Board of Directors shall have a right to hold meetings by means of electronic (telephone) communications. The Secretary of the Board of Directors shall provide magnetic recording of the Board of Directors the meeting. Participation in the Board of Directors meeting hold by means of electronic (telephone) communications shall be deemed to be meeting held in the joint presence of the Board of Directors members.
- 33.3. Meetings of the Company's Board of Directors shall be held as necessary but at least once a month and shall be called by the Chairman of Company's Board of Directors on the Chairman's initiative, by request of members of Company's Board of Directors, Company's Auditing Commission or Company's Auditor as well as by request of Company's executive body.
- 33.4. At least 30 (thirty) days prior to the date of an Annual General Meeting of Shareholders of the Company a meeting of Company's Board of Directors shall be held for preliminary approval of Company's Annual Performance Report, Annual Accounting Statements, including Statements on Profits and Losses, Opinion of the Auditor, Opinion of the Auditing Commission of the Company, made on the basis of audit of Annual Accounting Statements, to be submitted to the Annual General Meeting of Shareholders for approval. At the annual meeting of the Board of Directors the Chairman of Company's Board of Directors shall provide the Board of Directors with the current comprehensive financial information and the complete report on the current business status in the Company as well as on key performance indicators of Company's economic activity and plans.
- 33.5. Meetings of the Board of Directors shall be held at the place of Company's location or at another place specified by the Board of Directors.
- 33.6. Board of Directors members shall be preliminary notified on the coming meeting of the Board of Directors. The notice shall include an agenda for the coming meeting.
- 33.7. Quorum of holding the Company's Board of Directors meeting shall be determined as ½ (half) of the elected members of the Board of Directors. In case when the number of the Company's Board of Directors members becomes less than the specified above quorum, the Board of Directors shall adopt a resolution on holding Extraordinary General Meeting of Shareholders for the election of the new Board of Directors. In this case the powers of the Board of Directors of the Company shall terminate except for the powers related to preparing, calling and holding the Annual General Meeting of Shareholders of the Company
- 33.8. When making decision on matters at the meeting of the Board of Directors, each member of the Board of Directors shall have 1 (one) vote.
- 33.9. A resolution shall be deemed approved by the Board of Directors when over the half of all members of the Board of Directors participating in the meeting of Company's Board of Directors voted for this resolution, unless otherwise stipulated by the legislation of the Russian Federation and (or) this Charter. In case of equality of votes of Board of Directors members, a vote of the Chairman of the Board of Directors shall be the casting vote.
- 33.10. When determining presence of quorum and voting results on issues of an agenda for a meeting of the Board of Directors, a written opinion of an absent member of the Board of Directors shall be taken into account. The written opinion of Board of Directors member shall be attached to the Minutes.

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- 33.11. In cases specified in the Federal Law On Joint Stock Companies, when voting on the correspondent issues of the agenda, votes of the retired members of the Company's Board of Directors shall not be counted.
- 33.12. A member of the Board of Directors of the Company shall not transfer the right to vote to another member of the Board of Directors of the Company or any other person.
- 33.13. The right of the casting vote of the Chairman of the Board of Directors of the Company shall not be used by other member of the Board of Directors who performs duties of the Chairman of the Board of Directors in case of absence of the Chairman.
- 33.14. The Secretary of the Board of Directors shall keep the Minutes of Board of Directors meeting. The Minutes of Company's Board of Directors meeting shall be made within 3 (three) days after the date of the meeting. The Minutes of Company's Board of Directors meeting shall be signed by a person, who presides at the meeting and is responsible for accuracy of the Minutes, and the Secretary of the Board of Directors. The documents approved by the Board of Directors shall be attached to the Minutes of the meeting.
- 33.15. Additional requirements to the procedure for holding a meeting of Company's Board of Directors shall be stipulated by the legislation of The Russian Federation, the Statute on the Board of Directors and other internal documents of the Company.

34. EXECUTIVE BODIES OF THE COMPANY

- 34.1. Executive bodies of the Company shall be the collegiate executive body – the Management Board and the one – man executive body – the President.
- 34.2. The executive bodies of the Company shall be accountable to the Board of Directors and the General Meeting of the Company Shareholders.
- 34.3. Competence of the Executive bodies of the Company shall be dealing with all the issues relating to the current business activity of the Company, exclusive of issues that are under the competence of the General Meeting of Shareholders and the Company's Board of Directors.
- 34.4. The Board of Directors of the Company shall form the executive bodies of the Company.
- 34.5. Rights and obligations of the Executive bodies shall be governed by the legislation of the Russian Federation, the present Charter and internal regulatory documents of the Company.
- 34.6. The executive bodies of the Company shall ensure execution of resolutions made at general meetings of the Company shareholders and the Board of Directors meetings manage current activities of the Company and bear responsibility for results of these activities.
- 34.7. The executive bodies of the Company shall be responsible for the effective financial, economic, science and technical, social policy of the Company.
- 34.8. Holding, by the President and members of the management Board, of positions in executive bodies of other organization is the subject to the agreement of the Board of Directors.
- 34.9. The Board of Directors of the Company shall have the right at any time to make a decision concerning early termination of powers of the President as well as concerning termination of powers of individual member of the Board or all members of the Board and formation of executive bodies of the Company.
- 34.10. In case when the functions of the sole executive body are performed by the management company (governor) this management company (governor) shall not have a right to perform similar functions in the competitive to the Company organization.

35. MANAGEMENT BOARD OF THE COMPANY

- 35.1. The management Board within the scope of its competence, established by the present Charter, resolutions of the General Meetings of Shareholders, the Board of Directors and internal documents of the Company, to be approved by the General Meetings of Shareholders, shall deal with the following issues:
- (1) coordination of activity of the Company on questions pertaining to interaction with subsidiary and dependent companies;
 - (2) consideration of reports on results of activity carried out by subsidiary and dependent companies as well as organizational departments of the Company;
 - (3) preliminary consideration of large innovation and investment projects and programs implemented by the Company as well as by its subsidiary and dependent companies, submitted for the Management Board consideration by the mentioned above companies;
 - (4) making of decisions on position of the Company in respect of questions concerning reorganization, conclusion of large – scale transactions and related – party transactions, increase of the Authorized Capital submitted for consideration of general meetings of shareholders of subsidiary and dependent companies (the list of companies and issues shall be determined by the Management Board resolutions);
 - (5) preparation of proposals to be submitted to the Board of Directors on approval of budget, financial and business plan as well as on introduction of changes in previously approved budget;
 - (6) approval and organization of implementation of programs on attraction of investments;

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- (7) approval of internal documents of the Company submitted for consideration of the Management Board by the President of the Company;
 - (8) participation in resolution of labor conflicts and appointment of a representative on the part of administration for regulation of arising labor conflicts in the extra-judicial procedure;
 - (9) making of decisions on any other questions pertaining to current activity submitted for consideration of the Management Board of the Company by the President of the Company, if these questions does not fall within the scope of the General Meeting of Shareholders and the Board of Directors competence.
- 35.2. Members of the Board and their number shall be approved by the Board of Directors of the Company at the suggestion of the President of the Company. Members of the Management Board shall be elected for the terms of 3 years and may be re-elected unlimited number of times.
 - 35.3. Conditions of contracts with members of the Board shall be determined by the Board of Directors of the Company, on behalf of the Company the contracts with members of the Board shall be signed by the Chairman of the Board of Directors. Members of the Management board, who concluded employment contracts with the Company, shall be governed by the peculiarities of the labor regulations specified in the Chapter 43 of the Labor Code of the Russian Federation.
 - 35.4. The Board of Directors of the Company shall have the right at any time to terminate powers of any member of the Board.
 - 35.5. In case of cancellation of a contract concluded between a member of the Management Board and the Company, the member of the Board shall be obliged to submit to the Board of Directors of the Company a report on the work done within a period of time specified in the contract.
 - 35.6. The Management Board shall carry out its activities by means of holding meetings and making decisions. Meetings of the Management Board shall be held in accordance with the schedule.
 - 35.7. The agenda of a regular meeting of the Board shall be determined on the basis of the Work Plan of the Board, proposals of the Chairman and members of the Board. Meetings of the Board shall be held only by means of presence of members. In this regard when determining the quorum of a meeting and summing up results of voting written opinions of members of the Board absent at the meeting on questions of the agenda shall be taken into account.
 - 35.8. The Board shall have the right to make decisions (has a quorum), if a meeting is attended by at least of a half of a number of members of the Board. If a number of members of the Board is less than a number constituting the above quorum, the Board of Directors of the Company shall be obliged to make a decision concerning formation of a new membership of the Board.
 - 35.9. Decisions on questions included in the agenda of the meeting of the Board shall be made by the simple majority of votes of participants of the meeting. In case of equality of votes, the vote of the Chairman of the Board shall be decisive.
 - 35.10. In case of disagreement with the decision made a member of the Board may request to attach to minutes of the meeting of the Board his / her special opinion to be submitted to the Secretary of the Board within 2 days from the date of holding of the meeting of the Board in writing.
 - 35.11. Members of the Board shall act within the scope of their competence determined under this Charter, internal documents of the Company, decisions of General Meetings of the Company Shareholders, the Board of Directors and / or on the basis of the power of attorney issued by the President of the Company.

36. PRESIDENT OF THE COMPANY

- 36.1. The President of the Company shall have all authority to perform day-to-day management of the Company and to resolve related questions not falling within the scope of competence of the General Meeting of the Company Shareholders.
- 36.2. The President shall present the point of view of Executive Bodies at meetings of the Board of Directors and General meetings of shareholders.
- 36.3. The President shall head the Management Board of the Company and organize its work.
- 36.4. The President shall act on behalf of the Company without the power of attorney and represent the Company's interests related to any issues to any third parties; represent and assert the Company's interests to the government bodies and in courts.
- 36.5. Within the limits of his competence, the President shall:
 - (1) Use the Company's property and assets on behalf of the Company and for the Company's interests;
 - (2) Perform any transactions on behalf of the Company both in the Russian Federation and overseas, exclusive of cases considered in the legislation of the Russian Federation and the present Charter;
 - (3) Approve the Company's organization chart, employ and dismiss employees in accordance with legislation of the Russian Federation, approve internal code of conduct and establish compensation system, encourage distinguished employees and impose disciplinary sanctions;
 - (4) Arrange bookkeeping and tax accounting and reporting, ensure security of accounting records, accounting books and financial statements;
 - (5) Take actions to maintain security of the Company's commercial and confidential information;
 - (6) Represent the Company's interests in courts, arbitration court and court of referees;

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- (7) Issue powers of attorney for the performance of any actions on behalf of the Company including powers of attorney with substitution;
 - (8) Issue executive orders, approve internal documents within the scope of his / her competence including internal documents governing activities of internal organization departments of the Company and other internal documents with the exception of internal documents to be approved by the General Meeting of the Company Shareholders, the Board of Directors of the Company;
 - (9) In his own discretion submits for the Company's Management Board consideration, documents set forth in cl.35.1.8 of the present Charter.
 - (10) Exercise other powers required for the current day-to-day running of the Company.
- 36.6. The President shall within his powers issue orders and instructions, give oral instructions that are mandatory for execution for all employees of the Company.
 - 36.7. President is appointed by the Company's Board of Directors for the period of 3 (three) years, and may be re-elected unlimited number of times.
 - 36.8. On behalf of the Company, the employment contract with the President shall be signed by the Chairman of the Company's Board of Directors, or by the person authorized by the Board of Directors of the Company.
 - 36.9. In the course of fulfillment of his functions, the President of the Company shall act in accordance with legislation of the Russian Federation, present Charter and internal documents of the Company.
 - 36.10. President of the Company is personally liable for organization and creation of conditions related to the protection of data considered to be the State secret.

PART VI. CONTROL OVER FINANCIAL AND ECONOMIC ACTIVITIES OF THE COMPANY

37. AUDITOR OF THE COMPANY

- 37.1. In order to verify and confirm the Company's annual financial reports, the General Meeting of Shareholders approves the Company's Auditor on an annual basis.
- 37.2. The procedure for arrangement and auditing of financial and economic activities of the Company by the Auditor shall be subject to the provisions of the agreement concluded with him.

38. AUDIT COMMISSION OF THE COMPANY

- 38.1. The Audit Commission (hereinafter also referred to as "the Commission") consisting of 3 (three) members shall supervise the financial and economic activities of the Company (internal audit).
- 38.2. The Audit Commission activity shall be governed by the legislation of the Russian Federation, this Charter and Statute on Audit Commission approved in accordance with this Charter.
- 38.3. The Audit Commission shall be elected for the term of 1 (one) year by the General Meeting of Shareholders from among the shareholders or other candidacies, nominated by the shareholders, who are non-members of Board of Directors and not holding positions in the executive bodies of the Company, as well as not acting as Chief Accounting Manager of the Company. The members of the Audit Commission can be reelected for another term, or, subject to sound reasons, released from the Commission before the term by simple majority voting of the General Meeting of Shareholders.
- 38.4. The Commission shall be managed by the Chairman elected at the first meeting of the Commission.
- 38.5. The Audit Commission shall conduct audits at its own initiative, on the instruction of the Board of Directors, or at the request of shareholders possessing in total at least 10% (ten percent) of the voting shares of the Company. Scheduled audits shall be conducted at least once a year. For the purposes of auditing, the members of the Audit Commission shall have the right to request for all appropriate documents and personal explanation from executives of the Company. The Audit Commission shall present the audit findings to the General Meeting of Shareholders and Board of Directors of the Company.
- 38.6. Annual report of the Company and annual accounting report shall be presented to the General Meeting of Shareholders only along with the report of the Audit Commission.
- 38.7. The results of documentary audits and audits by the Audit Commission shall be executed in the form of reports to be signed by the Chairman and Audit Commission members conducting the audit, and discussed at the meetings of the Commission. Audit and inspections reports, as well as Audit Commission reports on annual reports and annual accounting reports of the Company shall be presented to the Board of Directors.
- 38.8. If required, the Audit Commission shall have the right to enlist the services of experts and independent auditors, including those on a contractual basis. Any related additional expenses shall be subject to approval by the Board of Directors. The budget estimate of the Commission shall be agreed by the Board of Directors. The Audit Commission shall have the right to engage the Company personnel in its activity, provided that normal operations of the Company are not disturbed.

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- 38.9. The members of the Audit Commission shall be entitled to remuneration for their performance. The rate of remuneration shall be established by the resolution of the General Meeting of Shareholders on recommendation of the Board of Directors. The President of the Company shall be charged with maintenance support of the Audit Commission operations.
- 38.10. Competence of the Audit Commission:
- (1) documentary auditing of financial and economic activities (total or selective audit), trading, settlement, currency and other operations of the Company;
 - (2) audit of execution of approved budget, standards and limits;
 - (3) audit of promptitude and correctness of payments executed by product and services suppliers, payments to budget, distribution and payment of dividends, settlement of other obligations;
 - (4) audit of Company's and its management bodies' adherence to regulatory legal acts and resolutions of the General Meeting of Shareholders and Board of Di;
 - (5) validity audit of current, accounting and statistical reports of the Company;
 - (6) audit of cash in hand and property of the Company;
 - (7) audit of compliance to the rules of office administration and financial documents storage;
 - (8) audit of execution of recommendations issued by previous inspections and audits.
- 38.11. The members of the Audit Commission shall have the right to participate in Board of Directors Meetings in a consultative capacity.
- 38.12. The members of the Audit Commission shall bear responsibility for negligence of their duties as prescribed by the legislation of the Russian Federation and this Charter.
- 38.13. The members of the Audit Commission shall have property responsibility to the Company for any damage caused by their disclosure of information being the subject matter of commercial secret of the Company.
- 38.14. Any additional requirements to operational procedures and rights and obligations of the Audit Commission shall be set forth in the Statute on Audit Commission of the Company.

