

APPROVED
by the General Meeting of Shareholders
of JSC Gazprom Neft
October 30, 2015
Protocol № 0101/02

CHARTER OF THE
PUBLIC JOINT STOCK COMPANY
GAZPROM NEFT
(new version)

Article 1. General provisions

1.1. The **Public** Joint Stock Company Gazprom Neft (hereinafter referred to as the Company) has been established under the laws of the Russian Federation.

The Company's name upon incorporation was Joint Stock Company Siberia Oil Company (JSC Sibneft).

Joint Stock Company Siberia Oil Company was established on 06.10.1995 (Certificate of the state registration No. 38606450 dated October 06, 1995 issued by Omsk City Registration Chamber) in accordance with:

- Decree of the President of the Russian Federation No. 1403 dated 17.11.1992 "On the specifics of privatization and transformation into joint stock companies of the state enterprises, operational and scientific/operational associations of the oil, oil refining and oil products supply industries";

- Decree of the President of the Russian Federation No. 872 dated 24.08.1995 "On establishment of joint stock company Siberia Oil Company";

- Resolution of the Government of the Russian Federation No. 972 dated 29.09.1995 "On establishment of joint stock company Siberia Oil Company".

Under resolution of the extraordinary General Meeting of Shareholders of JSC Sibneft (Minutes No. 39 dated 18.05.2006) JSC Sibneft OAO was renamed into JSC Gazprom Neft (Certificate of registration in the Unified State Register for Legal Entities dated 01.06.2006, series 55 No. 002790652, issued by IFNS No. 1 for the Central Administrative District of Omsk city).

1.2. The Company is the successor of the following business entities taken over:

1) Olivesta Limited Liability Company (deregistered from the republican record under Resolution of the State Committee of the Republic of Kalmykia for registration of business entities No. 1563 dated 24.08.2001);

2) Vester Limited Liability Company (deregistered from the republican record under Resolution of the State Committee of the Republic of Kalmykia for registration of business entities No. 1562 dated 24.08.2001);

3) Terra Limited Liability Company (deregistered from the state record under Resolution of the Administration of Anadyr municipality No. 594 dated 14.12.2001);

4) Argus Limited Liability Company (state registration of a legal entity in connection with termination through reorganization in the manner of takeover (Certificate of the state registration in the Unified State Register for Legal Entities dated 23.09.2002, GRN 2028700587177);

5) Antarex Limited Liability Company (state registration of a legal entity in connection with termination through reorganization in the manner of takeover (Certificate of the state registration in the Unified State Register for Legal Entities dated 26.12.2002, GRN 2028700589718);

6) Unicar Limited Liability Company (state registration of a legal entity in connection with termination through reorganization in the manner of takeover (Certificate of the state registration in the Unified State Register for Legal Entities dated 27.03.2003, GRN 2038700041180);

7) Cretance Holding Limited Liability Company (state registration of a legal entity in connection with termination through reorganization in the manner of takeover (Certificate of the state registration in the Unified State Register for Legal Entities dated 24.06.2003, GRN 2038700042181);

8) Rubikon Limited Liability Company (state registration of a legal entity in connection with termination through reorganization in the manner of takeover (Certificate of the state registration in the Unified State Register for Legal Entities dated 30.09.2003, GRN 2038700042632);

9) Orion Ltd. Limited Liability Company (state registration of a legal entity in connection

with termination through reorganization in the manner of takeover (Certificate of the state registration in the Unified State Register for Legal Entities dated 22.11.2004, GRN 2045536000035).

1.3. Legal status of the Company, rights and duties of its shareholders are determined by this Charter in accordance with the Civil Code of the Russian Federation and the Federal Act "On joint stock companies".

1.4. The period of existence of the Company is not limited.

Article 2. Corporate name and location of the Company

2.1. Corporate name of the Company in Russian language:

- *full: Публичное акционерное общество "Газпром нефть";*

- *abbreviated: ПАО "Газпром нефть".*

2.2. Name of the Company in English language:

- *full: Public Joint Stock Company Gazprom Neft;*

- *abbreviated: Gazprom Neft PJSC.*

2.3. Location of the Company:

Saint Petersburg, Russian Federation.

Article 3. Legal status of the Company

3.1. The Company is a legal entity from the date of its state registration and has its segregated property accounted in its own balance sheet.

3.2. *The Company may acquire in its own name and enjoy civil rights and bear civil responsibilities, act as plaintiff and defendant in the courts.* Some types of business, according to the list determined by the federal laws, shall only be carried out by the Company under a special permission (license).

3.3. The Company is a subsidiary of PJSC Gazprom. PJSC Gazprom as the principal company shall be entitled to issue instructions mandatory for the Company.

The Company shall not be liable against any debts of the principal company.

3.4. The Company is a *public* joint stock company.

3.5. Shareholders shall not be liable against obligations of the Company and shall bear the risk of losses in connection with its business within the value of the shares they hold.

3.6. The shareholders failing to pay in full for the shares shall be jointly liable against obligations of the Company within the non-paid part of value of the shares they hold.

3.7. Either individuals or legal entities may be shareholders of the Company.

3.8. The Company shall be entitled to open, under law, any settlement accounts and other accounts with banks, including foreign banks, in rubles and foreign currencies.

3.9. The Company shall be owner of the property transferred to it by shareholders as payment for shares.

3.10. The Company shall be entitled to take part in due course in incorporation of other entities in the Russian Federation and abroad, acquire interests (shares) in their authorized capitals, buildings, structures, land, rights to use natural resources, securities, as well as any other property, which may be subject to ownership rights in accordance with the laws of the Russian Federation.

3.11. The Company shall keep business, statistical and tax accounting in accordance with the existing laws of the Russian Federation.

3.12. The Company shall have an official seal specifying its full corporate name in Russian language and its location, stamps and letterheads specifying its name, its own logo, as well as a trademark registered in due course and other visual identifiers.

Article 4. Liability of the Company

- 4.1. The Company shall not be liable against obligations of its shareholders.
- 4.2. The Company shall be liable against its obligations within all the property it holds.
- 4.3. The state and its bodies shall not be liable against obligations of the Company, and the Company shall not be liable against obligations of the state and its bodies.

Article 5. Branches and representative offices, subsidiaries

5.1. The Company may establish branches and open representative offices, both in the Russian Federation and abroad.

5.2. Branches and representative offices of the Company shall transact their business on behalf of the Company. The Company shall be responsible for the activities of branches and representative offices. Heads of branches and representative offices shall act under powers of attorney issued by the Company.

5.3. The Company shall have the Moscow branch of *Gazprom Neft PJSC* located in Moscow at 125A Profsoyuznaya St., 117647 Moscow, Russia.

5.4. The Company may have subsidiaries with the legal person rights, both in the Russian Federation and abroad.

5.5. Establishment of subsidiaries, opening branches and representative offices by the Company outside the Russian Federation shall be regulated by the laws of the foreign country at the location of subsidiaries, branches and representative offices, unless otherwise stipulated by an international treaty participated by the Russian Federation.

5.6. Subsidiaries shall not have legal personality.

The Company shall not be liable against obligations of subsidiaries, and subsidiaries shall not be liable against obligations of the Company, save as in the cases stipulated by law.

Article 6. Principal objectives and lines of the Company's business

6.1. The Company is a corporate business entity having profit-making as its principal objective.

The Company shall be entitled to transact any business not prohibited by the existing the laws of the Russian Federation.

6.2. The principal lines of the Company's business are as follows:

- 1) exploration of oil, gas and other fields;
- 2) production, transportation and processing of oil, gas and other mineral resources;
- 3) storage of oil, gas, petroleum products and other hydrocarbons and other commodities;
- 4) production of petroleum products, petrochemical and other products;
- 5) supply and sales of oil, petroleum products, other products of refining hydrocarbons and other commodities (including sales to the general public and export sales);
- 6) performance of orders for the federal needs and regional consumers of the products produced by the Company and its subsidiaries;
- 7) advertising/publishing business, arrangement of exhibitions, sale exhibitions, public sales, etc.;
- 8) carrying out prospecting, logging and exploration work for oil, gas and other mineral resources;
- 9) using enhanced oil recovery methods and intensifying oil production;
- 10) development of design documentation at the phase of feasibility studies for construction, modernization, expansion and technical renovation of facilities and oil/gas operations;
- 11) construction and operation of oil/gas production, treatment, transportation, refining, as well as logging/exploration facilities;

- 12) construction and operation of explosive industrial and mining operation, main gas/oil/product pipelines, lifting equipment, as well as boilers, pressure vessels and pipelines;
 - 13) construction of wells for any purpose;
 - 14) production of construction materials and structures;
 - 15) rendering engineering services (design, process/construction engineering);
 - 16) development of tender documents for contract tenders;
 - 17) topographic/survey, mapping and underground survey activities;
 - 18) design and exploration activities connected with prospecting, development and recovery of sand/gravel pits;
 - 19) design and exploration activities connected with allocation of land for construction and execution of felling licenses;
 - 20) radio relay and telephone communication services, construction of communication and remote control lines;
 - 21) production, installation and repair of drilling, oil/gas field, exploration, explosion-proof electric equipment, control hardware/systems, emergency protection and alarm, lifting equipment, as well as boilers, pressure vessels and pipelines;
 - 22) specialized work relating to installation of all automatic, remote control, communication, measuring equipment and commissioning thereof;
 - 23) operation of communication equipment, engineering networks, power transmission lines, electric substations, electric equipment, heat/water supply and sewerage networks;
 - 24) operation of engineering networks, site improvement, maintenance of residential stock, social/cultural facilities and non-residential spaces, supply of electric, heat energy and water, maintenance of motor roads and bridges;
 - 25) construction and operation of hospitality facilities and residential/municipal facilities;
 - 26) activities connected with the use of information considered as the state secrets, as well as protection of the Company's information considered as commercial secrets, and other confidential information of the Company;
 - 27) arrangement and carrying out, under the laws of the Russian Federation, mobilization training/mobilization activities, military registration, reservation of individuals subject to military reserve, who are employed by the Company, civil defense, preventing emergency situations/emergency response at the Company's facilities;
 - 28) safeguarding the Company's facilities and property, including those held by its branches and representative offices;
 - 29) carrying out business aimed at ensuring economic and information security of the Company, its branches and representative offices.
- 6.3. The Company shall also be entitled to carry out any other business not prohibited by the federal laws.

Article 7. Authorized Capital of the Company and stated shares

7.1. The Authorized Capital of the Company is equal to 7,586,079.4224 (seven million five hundred and eighty six thousand and seventy nine point 4224) rubles and consists of 4,741,299,639 (four billion seven hundred and forty one million two hundred and ninety nine thousand six hundred and thirty nine) registered equity shares of par value 0.0016 (point zero zero sixteen) rubles each share.

7.2. The Company has issued and allotted registered uncertificated equity shares, which take part in voting on all issues at the General Meeting of Shareholders of the Company and have the same par value, regardless of the time of issue thereof.

7.3. Payment for the Company's shares may be made in money, securities, other things, property rights or other rights capable of being evaluated in money.

7.4. Additional shares shall be issued by the Company, provided that they should be fully paid up.

7.5. If payment for additional shares is made otherwise than in cash, evaluation of the property contributed as payment for the shares shall be made by the Board of Directors of the Company in accordance with article 77 of the Federal Act "On joint stock companies".

7.6. The Authorized Capital of the Company may be, if required:

- increased by increasing par value of shares or allotment of additional shares;
- decreased by a reduction par value of shares or a reduction of their total number, particularly by acquisition and cancellation of a part of shares.

7.7. Resolution on increasing the Authorized Capital of the Company by increasing par value of shares shall be taken by the General Meeting of Shareholders through a majority vote of the shareholders attending the meeting.

7.8. Additional shares may only be allotted by the Company within the number of the stated shares stipulated by the Charter of the Company.

Resolution on increasing the Authorized Capital of the Company by allotment of additional shares shall be taken by the Board of Directors of the Company, unless this issue is referred by the Federal Act "On joint stock companies" to the competence of the General Meeting of Shareholders. Such resolution shall be taken by the Board of Directors through consensus of all members of the Board of Directors, and no votes of the retired members of the Board of Directors of the Company shall be taken into account.

7.9. Resolution on a reduction the Authorized Capital and introduction of the respective amendments in the Charter of the Company shall be taken by the General Meeting of Shareholders in compliance with the requirements of articles 29 and 30 of the Federal Act "On joint stock companies".

7.10. Acquisition of outstanding shares by the Company.

The Company shall acquire the shares it has allotted:

(1) under resolution of the General Meeting of Shareholders on decreasing the Authorized Capital. The shares thus acquired shall be cancelled;

(2) at the request of shareholders in the cases stipulated by the Federal Act "On joint stock companies";

(3) by decision of the Board of Directors of the Company, in the number of not more than 10 per cent of the total number of all outstanding shares in the Company, and the number of outstanding shares in the Company shall not be less than 90 per cent of the total number of shares issued by the Company.

The shares acquired by the Company and retained by the Company on any other grounds shall not confer the right to vote, they shall not be taken into account when counting votes, no dividends shall be accrued on them. Such shares shall be sold at a price not lower than their market value within one year of their acquisition date. Otherwise, the General Meeting of Shareholders shall decide on a reduction of the Company's Authorized Capital by cancellation of such shares.

Article 8. Bonds and other issue-grade securities of the Company

8.1. The Company shall be entitled to allot bonds and other issue-grade securities under the laws of the Russian Federation on securities.

8.2. Allotment by the Company of bonds and other issue-grade securities shall be effected under resolution of the Board of Directors of the Company, except allotment thereof under resolution of the General Meeting of Shareholders in accordance with Article 39 of the Federal Act "On joint stock companies".

8.3. A bond shall certify its holder's right to request for redemption of the bond (payment of par value or par value plus interest) within the time limit prescribed.

The resolution on issuing bonds shall determine the manner, time limit and other terms of redemption of the bonds.

8.4. The Company shall provide those who acquire its issue-grade securities with full

information of the Company's securities issuance, allotment and trading conditions stipulated by this Charter or otherwise.

Article 9. Rights and duties of shareholders of the Company

9.1. Holders of equity shares in the Company shall enjoy the following rights:

- to attend the General Meeting of Shareholders with the right to vote on all the issues referred to its competence;

- to be paid dividends;

- to obtain, in case of liquidation of the Company, a part of its property remaining after completion of settlements with creditors;

- to be provided information on the Company's business and to inspect the accounting and other records of the Company in accordance with the procedures and within the scope stipulated by the existing the laws of the Russian Federation, this Charter and the internal documents of the Company, and to be provided copies thereof for a charge;

- to transfer shares (a part of shares) in favor of one or more shareholders and/or the Company, as well as other legal entities or individuals, without other shareholders' or the Company's consent.

9.2. A shareholder (shareholders) holding, in the aggregate, at least 10 per cent of voting shares in the Company shall have the right to request for a special audit of the Company's business by independent auditors.

9.3. Shareholders of the Company shall enjoy a preemptive right to acquire additional shares and issue-grade securities convertible into shares offered through an open subscription, in the number proportionate to the number of the shares they hold.

9.4. Shareholders of the Company shall also enjoy other rights under the laws of the Russian Federation, this Charter and resolutions of the General Meeting of Shareholders passed in accordance with its competence.

9.5. Shareholders of the Company shall bear the duties stipulated by the existing laws of the Russian Federation.

Article 10. Funds and net assets of the Company

10.1. The Company shall establish a reserve fund in the amount of 5 per cent of the Authorized Capital, which fund shall be generated through mandatory annual deductions in the amount of at least 5 per cent of the Company's net profit until reaching the said level.

10.2. The reserve fund shall be used for covering losses of the Company, as well as for redemption of the bonds issued by the Company and redemption of shares in the Company, if no other funds are at hand. The reserve fund shall not be used for any other purposes.

10.3. Under resolution of the General Meeting of Shareholders of the Company, other funds may also be established in the Company.

10.4. Value of the Company's net assets shall be evaluated based on the accounting data in accordance with the procedures stipulated by the Ministry of Finance of the Russian Federation.

10.5. The Company's acts in the events its net assets value becomes less than its authorized capital or the minimum authorized capital stipulated by law shall be regulated by the laws of the Russian Federation.

Article 11. Profit of the Company and distribution thereof

11.1. The profit retained by the Company after mandatory settlements stipulated by law (net profit) shall be disposed of by the Company.

11.2. The Company's net profit shall be used for payment of dividends, replenishment of

the reserve fund and other funds of the Company, and for other purposes connected with the Company's business.

Article 12. Dividends of the Company

12.1. The Company shall be entitled, based on the results of the first quarter, half-year, nine months of a financial year and/or based on the financial year results, decide on (announce) payment of dividends on outstanding shares, unless otherwise stipulated by the Federal Act "On joint stock companies". Resolution on payment (announcement) of dividends based on the results of the first quarter, half-year, nine months of a financial year may be taken within three months of expiration of the period concerned.

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

12.3. Resolution on payment/announcement of dividends shall be taken by the General Meeting of Shareholders of the Company. Such resolution shall determine the amount of dividend payable on shares, its payment manner, the dividend payment procedure, the date of determining those entitled to such dividend. The dividends shall not exceed the amount recommended by the Board of Directors of the Company.

12.4. Dividends shall be paid in cash.

12.5. The date as of which, under resolution on payment/announcement of dividend, those entitled to the dividend are to be determined shall not be earlier than 10 days of the date when the resolution on payment/announcement of dividend has been taken and later than 20 days of such resolution date. In addition, the resolution of the General Meeting of Shareholders, as regards the date as of which those entitled to the dividend are to be determined, shall only be taken at the proposal of the Board of Directors of the Company. Dividends shall be paid to the persons who were holders of shares in the Company or those having, under the federal laws, the rights under such shares as of the operational day end of the date of determining, under resolution on payment of the dividend, those entitled to such dividend.

12.6. Dividends shall be paid to a nominee holder or a trustee which is a professional participant of the stock market, which persons are recorded in the Company's record of shareholders, within 10 business days, and to other persons recorded in the record of shareholders within 25 business days of the date of determining those entitled to the dividend.

12.7. Dividends shall be paid in a non-cash manner by the Company or on its behalf by the registrar responsible for keeping the record of shareholders of the Company, or by a credit institution in accordance with the procedures stipulated by the Federal Act "On joint stock companies". The persons entitled to dividends whose rights to shares are recorded by a nominee holder shall receive dividends in cash through the respective depository.

12.8. The persons that have not received the dividends announced, since the Company or the registrar had no exact and relevant data or bank details, or because of any other delay on the part of the creditor, shall be entitled to request for payment of such dividend (unclaimed dividends) within three years of the resolution on payment thereof.

The period during which the request for payment of unclaimed dividends is permitted shall not be reinstated, if missed, except the cases where the person entitled to dividends has not claimed for the dividends because of a compulsion or threat.

Upon expiration of such period, the dividends stated and unclaimed shall be reinstated as a part of the Company's retained profit, and the duty to pay such dividends shall be terminated.

12.9. The Company shall be entitled to decide (announce) on payment of dividends on shares and pay them subject to limitations stipulated by article 43 of the Federal Act "On joint stock companies".

Article 13. Record of shareholders of the Company

13.1. A specialized registrar shall be holder of the record of shareholders of the Company.

13.2. The record of shareholders of the Company shall indicate information of each registered person, number and categories of shares recorded in the name of each registered person, other information stipulated by legislation of the Russian Federation.

13.3. An entry in the record of shareholders of the Company shall be made at the request of a shareholder or nominee holder of the shares or, in the cases stipulated by the Federal Act "On joint stock companies", at the request of other persons within three days of submitting the documents stipulated by legislation of the Russian Federation.

Legislation of the Russian Federation may stipulate any other timeframe of making entries in the record of shareholders of the Company.

13.4. Holders of ordinary shares in the Company shall enjoy the right to be issued an extract from the record of holders of registered securities to certify their rights to shares.

Article 14. General Meeting of Shareholders

14.1. The General Meeting of Shareholders is the supreme management body of the Company.

14.2. The General Meeting of Shareholders shall be held, if arranged in the manner of a meeting jointly attended by shareholders to discuss items of agenda and decide on voted issues (a physical meeting), in the city which is the Company's seat, i.e. Saint Petersburg, or in Moscow.

14.3. The place for holding the General Meeting of Shareholders as a physical meeting shall be determined by the Board of Directors of the Company. The Board of Directors shall determine the address (addresses) for sending filled in ballot papers for voting on items of agenda of the General Meeting of Shareholders held as a physical meeting, and determine whether an electronic voting may be arranged among shareholders using electronic equipment.

14.4. The list of persons entitled to attend the General Meeting of Shareholders shall be executed on the basis of the record of shareholders of the Company. The date of execution of the list of persons entitled to attend the General Meeting of Shareholders shall not be earlier than 10 day of the resolution on holding the General Meeting of Shareholders and later than 50 days before the date of holding the General Meeting of Shareholders, or, if the proposed agenda of the extraordinary General Meeting of Shareholders contains election of members of the Board of Directors of the Company, later than 80 days before the date of holding the General Meeting of Shareholders.

Information of the date of execution of the list of persons entitled to attend the General Meeting of Shareholders shall be disclosed 7 days before such date.

14.5. The Company shall hold a General Meeting of Shareholders each year not earlier than two months and not later than six months of expiration of a financial year.

The annual General Meeting of Shareholders shall decide on election of the Board of Directors, the Auditing Committee of the Company, approval of the outside auditor of the Company, approval of annual reports, annual accounting statements, as well as distribution of profit (including payment (announcement) of dividends, except profit distributed in the manner of dividends based on the results of the first quarter, half-year, nine months of a financial year) and losses of the Company, based on the financial year results.

The annual General Meeting may also decide on any other issues referred to competence of the General Meeting of Shareholders of the Company.

14.6. The General Meeting of Shareholders shall be considered as validly convened (quorum is available), if attended by shareholders holding, in the aggregate, over a half of the

number of votes of outstanding voting shares in the Company.

14.7. If no quorum is available for holding an annual General Meeting of Shareholders, a new General Meeting of Shareholders with the same agenda shall be held.

14.8. Notice on holding a new General Meeting of Shareholders shall be given in accordance with the requirements of article 52 of the Federal Act "On joint stock companies".

14.9. The new General Meeting of Shareholders shall be considered as validly convened (quorum is available), if attended by shareholders holding, in the aggregate, at least 30 per cent of votes of the outstanding voting shares in the Company.

14.10. If the new General Meeting of Shareholders is held within less than 40 days of the failed General Meeting of Shareholders, the persons entitled to attend the General Meeting of Shareholders shall be determined in accordance with the list of persons entitled to attend the initial (failed) General Meeting of Shareholders.

14.11. Any General Meetings of Shareholders other than annual meetings shall be considered as extraordinary meetings.

14.12. An extraordinary General Meeting of Shareholders shall be held under resolution of the Board of Directors of the Company:

- 1) at its own initiative;
- 2) at the request of the Auditing Committee of the Company;
- 3) at the request of the outside auditor of the Company;
- 4) at the request of shareholders (a shareholder) holding at least 10 per cent of voting shares in the Company as of the date of the request.

14.13. An extraordinary General Meeting of Shareholders shall be convened and held in accordance with the procedures and within the time limits stipulated by article 55 of the Federal Act "On joint stock companies".

14.14. If no quorum is available for holding an extraordinary General Meeting of Shareholders, a new extraordinary General Meeting of Shareholders with the same agenda may be held.

Article 15. Competence of the General Meeting of Shareholders

15.1. The competence of the General Meeting of Shareholders shall include:

- 1) amending and supplementing the Charter of the Company or approval of a new version of the Charter of the Company;
- 2) reorganization of the Company;
- 3) liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;
- 4) determining the number of members of the Board of Directors, election of members of the Board of Directors of the Company and early termination of their powers;
- 5) determining the number, par value, category (type) of the stated shares and rights conferred by such shares;
- 6) increasing the Authorized Capital of the Company by increasing par value of shares, as well as by allotment of additional shares through a closed subscription and in other cases where such resolution is referred by the Federal Act "On joint stock companies" to the competence of the General Meeting;
- 7) decreasing the Authorized Capital of the Company by a reduction of shares par value, through acquisition of a part of shares by the Company for a reduction of their total number, as well as by cancellation of the shares acquired or redeemed by the Company;
- 8) election of members of the Auditing Committee of the Company and early termination of their powers;
- 9) approval of the outside auditor of the Company;
- 10) payment (announcement) of dividends, based on the results of the first quarter, half-year, nine months of a financial year;

11) approval of annual reports, *annual accounting statements*, as well as distribution of profit (including payment (announcement) of dividends, except profit distributed as dividend based on the results of the first quarter, half-year, nine months of a financial year) and losses of the Company, based on the financial year results;

12) determining the procedures of holding the General Meeting of Shareholders;

13) splitting and consolidation of shares;

14) deciding on approval of transactions in the cases stipulated by article 83 of the Federal Act "On joint stock companies";

15) deciding on approval of major transactions in the cases stipulated by article 79 of the Federal Act "On joint stock companies";

16) acquisition of outstanding shares by the Company in the cases stipulated by the Federal Act "On joint stock companies";

17) deciding on participation in financial/industrial groups, associations and other alliances of business entities;

18) approval of internal documents regulating the activities of the Company's management bodies;

19) deciding on other issues stipulated by the Civil Code of the Russian Federation and the Federal Act "On joint stock companies".

15.2. The issues referred to competence of the General Meeting of Shareholders shall not be delegated to the Board of Directors of the Company, except the issues stipulated by the Federal Act "On joint stock companies".

The issues referred to the competence of the General Meeting of Shareholders shall not be delegated to the executive bodies of the Company.

Article 16. Resolutions of the General Meeting of Shareholders

16.1. Resolutions on the issues set out in paragraph 15.1, subparagraphs 1 - 3, 5, 16 hereof shall be taken by the General Meeting of Shareholders through a three fourths majority vote of holders of the voting shares in the Company attending the General Meeting of Shareholders.

Resolutions on allotment of shares and issue-grade securities in the cases stipulated by article 39 of the Federal Act "On joint stock companies" shall be taken by the General Meeting of Shareholders through a three fourths majority vote of holders of the voting shares in the Company attending the General Meeting of Shareholders.

16.2. Resolutions on the issues set out in paragraph 15.1, subparagraphs 2, 6, 13 - 18 hereof shall only be taken by the General Meeting of Shareholders at the proposal of the Board of Directors of the Company.

16.3. Resolutions of the General Meeting of Shareholders on other voted issues shall be taken by a majority vote of holders of the voting shares in the Company attending the General Meeting of Shareholders, unless otherwise stipulated by the Federal Act "On joint stock companies" for taking resolutions.

16.4. The General Meeting of Shareholders shall not be entitled to decide on any issues other than included into agenda, or amend the agenda.

16.5. Resolutions of the General Meeting of Shareholders and composition of members of the Company attending the meeting when taking such resolutions shall be certified by the registrar.

Article 17. Proposals for inclusion into agenda, information of the General Meeting of Shareholders

17.1. Agenda of the General Meeting of Shareholders shall be determined by the Board of Directors of the Company during preparation of the General Meeting of Shareholders.

17.2. Shareholders (a shareholder) holding, in the aggregate, at least 2 per cent of voting shares in the Company shall be entitled to propose any items for inclusion into agenda of the annual General Meeting of Shareholders of the Company and to nominate members of the Board of Directors of the Company, the Auditing Committee of the Company, the number of which nominees should not exceed the prescribed number of members of the management body in question. Such proposals shall be received by the Company within two months of expiration of the financial year.

17.3. Along with the items proposed by shareholders for inclusion into agenda of the General Meeting of Shareholders, as well as in the case no such proposals are extended, or no nominations have been made, or the number of nominees is insufficient to establish the management body concerned, the Board of Directors of the Company shall be entitled to include into agenda of the General Meeting of Shareholders any issues or any nominees into the nomination list as it thinks fit.

17.4. Notice of the General Meeting of Shareholders shall be given not later than 30 days before the meeting, unless a greater period required by the existing laws of the Russian Federation.

Notice of the General Meeting of Shareholders shall be published on the Company's official web site www.gazprom-neft.ru not later than 30 days before the meeting day. Requirements to notification of the General Meeting of Shareholders and additional methods of notifying shareholders of the General Meeting of Shareholders shall be determined by the Regulation on General Meeting of Shareholders of the Company.

17.5. In case of an extraordinary General Meeting of Shareholders with agenda containing reorganization of the Company through merger, segregation or division and election of members of the board of directors (supervisory board) of the company resulting from reorganization, information of such extraordinary General Meeting of Shareholders shall be provided not later than 70 days before the meeting day.

17.6. The Company shall be entitled to notify shareholders additionally of convocation of the general meeting of shareholders through the mass media, including the printed press ("Rossiyskaya Gazeta"), electronic mass media, TV, radio broadcasting, and by e-mail and other methods available.

17.7. Information (materials) stipulated by Article 52 of the Federal Act "On joint stock companies" shall be made available to the persons having the right to attend the General Meeting of Shareholders for inspection at the office of the General Director of the Company and other places specified in the notice of holding the General Meeting within **30 days** before the date of holding the General Meeting of Shareholders.

At the request of the persons entitled to attend the General Meeting of Shareholders, the Company shall provide them with copies of the said documents in due course within 2 days.

17.8. Shareholders shall attend the General Meeting of Shareholders by themselves or through their representatives.

17.9. Representative of a shareholder at the General Meeting of Shareholders shall act in accordance with the powers based on the provisions of the federal laws or regulations of the relevant governmental authorities or local self-governments or a power of attorney executed in writing. The power of attorney for voting shall contain information of the represented person and representative (name, details of an identification document (series and/or number of the document, issue date and place, issuer of the document) for individuals, name and location for legal entities). The power of attorney for voting shall be executed in accordance with the requirements of article 185.1, paragraphs 3 and 4 of the Civil Code of the Russian Federation or notarized.

17.10. The Chairman of the Board of Directors of the Company shall act as the chairman of the General Meeting. If he is absent, the General Meeting of Shareholders shall be presided by a member of the Board of Directors under resolution of the Board of Directors.

17.11. The Secretary of the Board of Directors or other person appointed by the Board of

Directors shall act as the secretary of the General Meeting of Shareholders.

Article 18. Voting at the General Meeting of Shareholders and minutes of the General Meeting of Shareholders of the Company

18.1. Voting at the General Meeting of Shareholders shall be arranged according to the principle of "one voting share in the Company = one vote", except the cases of cumulative voting for election of members of the Board of Directors of the Company.

18.2. The Company's registrar shall act as the counting committee in the Company.

18.3. Based on the voting results, the counting committee shall execute a statement of voting results, which statement shall be signed by the person acting as the counting committee. The statement of voting results shall be executed within three days of closing the General Meeting of Shareholders or the deadline set for acceptance of ballot papers, if the General Meeting of Shareholders is held in the manner of voting in absentia.

18.4. The statement of voting results shall be attached to the minutes of the General Meeting of Shareholders.

18.5. Resolutions taken by the General Meeting of Shareholders and voting results may be announced at the General Meeting of Shareholders during which voting was held, and provided to the persons included into the list of persons entitled to attend the General Meeting of Shareholders, in the manner of a report on the voting results in accordance with the procedures stipulated for notification of the General Meeting of Shareholders, within four business days of closing the General Meeting of Shareholders or the deadline set for acceptance of ballot papers, if the General Meeting of Shareholders is held in the manner of voting in absentia.

If, as of the date of execution of the list of persons entitled to attend the General Meeting of Shareholders, a nominee holder of shares has been registered in the Company's record of shareholders, the report on the voting results shall be sent to such nominee holder of shares electronically (as an electronic document signed using an electronic digital signature).

18.6. Minutes of the General Meeting of Shareholders of the Company shall record basic provisions of addresses to the meeting, voted issues, and the results of voting on them, resolutions taken by the meeting.

18.7. Minutes of the General Meeting of Shareholders of the Company shall be executed in two copies within three business days of closing the General Meeting of Shareholders *or the deadline set for acceptance of ballot papers, if the General Meeting of Shareholders is held in the manner* of voting in absentia. Both copies shall be signed by the chairperson of the General Meeting of Shareholders and secretary of the General Meeting of Shareholders.

Article 19. The Board of Directors of the Company

19.1. The Board of Directors of the Company is a management body of the Company responsible, under the Federal Act "On joint stock companies" and this Charter, for general management of the Company's business, except the issues referred to the competence of the General Meeting of Shareholders.

19.2. Under resolution of the General Meeting of Shareholders, members of the Board of Directors of the Company may be paid, during the period of performance of their duties, remuneration and/or compensation for the expenses connected with performance of their functions as members of the Board of Directors of the Company. The amount of such remuneration and compensations shall be determined by resolution of the General Meeting of Shareholders.

19.3. Members of the Board of Directors of the Company shall be elected by the General Meeting of Shareholders through a cumulative voting in accordance with the procedures

stipulated the Federal Act "On joint stock companies", for a period till the following annual General Meeting of Shareholders.

19.4. If annual General Meeting of Shareholders is not held within the time limits stipulated by paragraph 14.2 hereof, powers of the Board of Directors of the Company shall be terminated, except the powers relating to preparation, convocation and holding annual General Meeting of Shareholders.

19.5. The number of members of the Board of Directors of the Company shall be determined by the General Meeting of Shareholders, but it shall not be less than 9 members.

19.6. The persons elected members of the Board of Directors of the Company are eligible for re-election for an unlimited number of terms.

The General Meeting of Shareholders shall be entitled to terminate prematurely at any time the powers of all members of the Board of Directors of the Company.

19.7. The General Director shall not act in conjunction as the Chairman of the Board of Directors of the Company.

19.8. No persons other than individuals shall be elected members of the Board of Directors of the Company. A member of the Board of Directors of the Company needs not be shareholder of the Company.

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

20.1. The competence of the Board of Directors of the Company shall include the following issues:

1) determining the priority lines of the Company's business, approval of long-term plans and the most important programs of the Company's business, including annual budget and investment programs of the Company, **and control of implement thereof;**

2) convocation of annual and extraordinary General Meetings of Shareholders, except the cases stipulated by article 55, paragraph 8 of the Federal Act "On joint stock companies";

3) approval of agenda of the General Meeting of Shareholders;

4) determining the date of execution of the list of persons entitled to attend the General Meeting of Shareholders, and other issues referred to competence of the Board of Directors of the Company in accordance with Chapter VII of the Federal Act "On joint stock companies" and connected with preparation and holding of the General Meeting of Shareholders;

5) deciding on increasing the Authorized Capital of the Company by allotment of additional shares within the number and categories (types) of the stated shares, except the cases where such resolution is referred by the Federal Act "On joint stock companies" to the competence of the General Meeting of Shareholders;

6) allotment by the Company of bonds and other issue-grade securities in the cases stipulated by the Federal Act "On joint stock companies";

7) **determining price (evaluation) of property, price of allotment and redemption of issue-grade securities** in the cases stipulated by the Federal Act "On joint stock companies";

8) acquisition of outstanding shares, bonds and other securities in the cases stipulated by the Federal Act "On joint stock companies";

9) formation of the executive bodies of the Company and determining their term of office, early termination of powers of the executive bodies;

10) recommendations as to the amount of remuneration and compensations payable to members of the Auditing Committee of the Company and determining the remuneration payable for the outside auditor's services;

11) setting the criteria of determining remunerations payable to members of the Board of Directors of the Company;

12) recommendations as to the amount of dividend payable on shares and its payment procedure;

13) utilization of the reserve fund and other funds of the Company;

14) approval of internal documents of the Company, except the internal documents referred by the *Civil Code of the Russian Federation* and Federal Act "On joint stock companies" to the competence of the General Meeting of Shareholders, as well as other internal documents of the Company referred, under this Charter, to the competence of the executive bodies of the Company;

15) establishment of branches and opening representative offices of the Company and liquidation thereof;

16) approval of major transactions in the cases stipulated by Chapter X of the Federal Act "On joint stock companies";

17) approval of the transactions specified in Chapter XI of the Federal Act "On joint stock companies";

18) determining the procedures of entering into transactions;

19) determining the procedures of interaction with business entities and organizations, shares and interests in which are held by the Company;

20) *deciding on participation and termination of the Company's participation in other entities*, except the cases stipulated by paragraph 15.1, subparagraph 17 and paragraph 25.6, subparagraph 15 hereof;

21) taking, in accordance with the procedures of carrying out transactions, resolutions on entering into transactions in the amount of over 450,000,000 (four hundred and fifty million) rubles with assets represented by shares (interests, units) of other entities, and making contributions by the Company to the property of other entities;

22) approval of the Company's registrar and terms of agreement with him, as well as termination of agreement with him;

23) appointment of audits of the Company's business, including those performed by independent auditors;

24) *determining the basic lines of development of the internal control and risk management system and assessment of its efficiency;*

25) *review of reports of structural subdivisions of the Company;*

26) approval of the appointment and dismissal of deputy chief executive officers, the chief accountant, *the heads of the legal service*, the head of the internal audit unit, *the head of the security service, the head of the unit for preparation and conduct of competitive procurement, and the heads of branches and representative offices;*

27) approval of the participation of the CEO and members of the Management Board in the management bodies of other organizations;

28) appointment of the secretary of the Board of Directors;

29) *other issues falling within the competence of the Board of Directors under applicable Russian law or the provisions of this Charter.*

20.2. Вопросы, отнесенные к компетенции Совета директоров Общества, не могут быть переданы на решение исполнительным органам Общества.

20.2. The issues referred to the competence of the Board of Directors of the Company shall not be delegated to the executive bodies of the Company.

Article 21. Chairman and Deputy Chairman of the Board of Directors

21.1. The Chairman and deputy Chairman of the Board of Directors of the Company shall be elected by members of the Board of Directors of the Company from among them by a majority of the total number of votes cast by members of the Board of Directors of the Company.

21.2. The Board of Directors shall be entitled to remove its Chairman and/or deputy Chairman at any time through a majority of the total number of votes cast by members of the Board of Directors.

21.3. The Chairman of the Board of Directors of the Company shall arrange the Board's business, convene meetings of the Board of Directors of the Company, approve agenda of

meetings and preside at meetings of the Board of Directors, arrange keeping minutes during meetings, preside at the General Meeting of Shareholders.

21.4. If the Chairman of the Board of Directors of the Company is absent, his functions shall be performed by the deputy Chairman of the Board of Directors, and if the Chairman and the deputy are absent, by a member of the Board of Directors of the Company under resolution of the Board of Directors of the Company.

Article 22. Meetings of the Board of Directors

22.1. Resolutions of the Board of Directors of the Company may be taken at meetings of the Board of Directors or by voting in absentia.

Voting in absentia may only be used for deciding on the issues, which do not require a consensus or a qualified majority vote.

22.2. Meetings of the Board of Directors of the Company shall be convened by the Chairman of the Board of Directors of the Company at his own initiative, as well as at the request of:

- 1) a member of the Board of Directors;
- 2) the Auditing Committee of the Company or the outside auditor of the Company;
- 3) the General Director of the Company;
- 4) the Management Board of the Company.

If the Chairman of the Board of Directors of the Company is absent, a meeting of the Board of Directors shall be convened by the deputy Chairman of the Board of Directors or a member of the Board of Directors acting as the Chairman of the Board of Directors in accordance with paragraph 21.4 hereof.

22.3. The Chairman of the Board of Directors, members of the Board of Directors, the General Director of the Company, the Management Board, the Auditing Committee of the Company, the outside auditor of the Company shall be entitled to extend proposals to the agenda of a meeting of the Board of Directors of the Company.

22.4. Notice of a meeting of the Board of Directors of the Company shall be given not later than 15 days before the meeting, or 20 days before the deadline set for submitting to the Board of Directors of the Company of filled in ballot papers for voting, in case of voting in absentia.

Within the time limits specified, the Chairman of the Board of Directors shall give to all members of the Board of Directors a registered written notice on convocation of the meeting of the Board of Directors with the following details specified:

- date, place and time of the meeting (in case of a physical meeting);
- list of persons invited to the meeting (in case of a physical meeting);
- items included into agenda of the meeting.

The following documents shall be attached to the notice:

- draft resolutions of the Board of Directors;
- justification of the proposed resolution;
- documents and other information materials;
- ballot paper for voting (in case of a meeting arranged in the manner of voting in absentia) with the deadline set for submitting filled in ballot papers to the Board of Directors of the Company specified.

22.5. A meeting of the Board of Directors (voting in absentia) shall be considered as valid, if attended (participated) by over a half of the number of elected members of the Board of Directors of the Company.

22.6. If the number of members of the Board of Directors of the Company becomes less than the number required for the quorum specified in paragraph 22.5 hereof, the Board of Directors of the Company shall decide on holding an extraordinary General Meeting of Shareholders for election of the new composition of the Board of Directors of the Company. The

remaining members of the Board of Directors of the Company shall only be entitled to decide on convocation of such extraordinary General Meeting of Shareholders.

22.7. Minutes shall be kept during meetings of the Board of Directors of the Company. Minutes of a meeting of the Board of Directors of the Company shall be executed not later than three days thereof.

The minutes of the meeting shall indicate:

- place and time of the meeting;
- persons attending the meeting;
- agenda of the meeting;
- voted issues;
- voting results in respect of each issue;
- resolutions taken.

Minutes of a meeting of the Board of Directors of the Company shall be signed by the chairperson of the meeting, who is responsible for proper execution of the minutes. A copy of the minutes shall be sent to members of the Board of Directors of the Company within 2 days of execution thereof.

If the Board of Directors of the Company decides to arrange voting in absentia, the following details shall be indicated in minutes of the meeting (voting in absentia):

- date of execution of the minutes;
- members of the Board of Directors who submitted by the deadline their ballot papers, as signed;
- agenda;
- voted issues and voting results;
- resolutions taken.

Minutes of the meeting (voting in absentia) shall be signed by the Chairman of the Board of Directors of the Company. The ballot papers, as signed by members of the Board of Directors of the Company, shall be attached to the minutes. A copy of the minutes shall be sent to members of the Board of Directors of the Company within 2 days of execution thereof.

22.8. The secretary of the Board of Directors of the Company shall be responsible for the administrative support of activities of the Board of Directors of the Company and keeping minutes of its meetings.

22.9. The procedures of holding meetings of the Board of Directors shall also be regulated by the regulation on the Board of Directors of the Company approved by the General Meeting of Shareholders.

Article 23. Resolutions of the Board of Directors of the Company

23.1. When deciding on any issues at a meeting (during voting in absentia) of the Board of Directors of the Company, each member of the Board of Directors of the Company shall have one vote.

When determining whether quorum is available and the results of voting on the items of agenda, the written opinion of a member of the Board of Directors of the Company absent from the meeting of the Board of Directors shall be taken into account in accordance with the procedures determined by the regulation on the Board of Directors of the Company approved by the General Meeting of Shareholders.

23.2. A member of the Board of Directors of the Company shall not assign his vote to another person, including other members of the Board of Directors of the Company.

23.3. Resolutions at a meeting (during voting in absentia) of the Board of Directors of the Company shall be taken by a majority vote of elected members of the Board of Directors, unless otherwise stipulated by the Federal Act "On joint stock companies". And no votes of retired members of the Board of Directors of the Company shall be taken into account.

23.4. In case of equality of votes cast by members of the Board of Directors of the

Company when taking a resolution by the Board of Directors of the Company, the Chairman of the Board of Directors of the Company shall have a casting vote.

Article 24. Executive bodies of the Company

24.1. The executive bodies of the Company include the General Director of the Company and the Management Board of the Company.

24.2. The executive bodies of the Company shall be responsible for management of the Company's everyday business.

24.3. The competence of the executive bodies of the Company includes all the issues of everyday business of the Company, except the issues referred to the competence of the General Meeting of Shareholders and the Board of Directors of the Company.

24.4. The executive bodies of the Company shall arrange performance of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company.

24.5. Formation of the executive bodies and early termination of their powers shall be regulated by resolutions of the Board of Directors of the Company. The term of office of the executive bodies shall be determined by the Board of Directors of the Company.

The Board of Directors of the Company shall be entitled to terminate prematurely at any time the powers of members of the Management Board and the General Director of the Company.

24.6. The executive bodies of the Company shall report to the Board of Directors and the General Meeting of Shareholders of the Company. The rights and duties of the General Director of the Company, members of the Management Board of the Company are determined by the Federal Act "On joint stock companies", other legislation of the Russian Federation, this Charter and the contract entered by each of them with the Company. The contract shall be signed, on behalf of the Company, by the Chairman of the Board of Directors of the Company or the person authorized by the Board of Directors of the Company.

24.7. Participation of the General Director and members of the Management Board of the Company in the management bodies of other entities shall be coordinated by the Board of Directors of the Company.

Article 25. General Director of the Company

25.1. The General Director is the sole executive body of the Company.

25.2. The General Director shall be entitled to decide on all the issues of everyday business of the Company, except the issues referred to the competence of the General Meeting of Shareholders and the Board of Directors of the Company.

25.3. The General Director of the Company is also the Chairman of the Management Board of the Company.

25.4. Leaves, motivation and punishment measures applied to the General Director shall be coordinated by the Board of Directors of the Company in accordance with the contract entered with him.

25.5. The General Director of the Company shall be entitled, for the period of his leave, business trip or other short-term absence, appoint a deputy to be acting General Director of the Company.

25.6. The General Director shall:

1) act on behalf of the Company without a power of attorney, including representation of its interests, carrying out transactions on behalf of the Company and disposal of the Company's property, being guided by the internal documents of the Company regulating the procedures of transactions and procedures of interaction with business entities and organizations, shares and interests in which are held by the Company;

- 2) issue powers of attorney for the right to represent the Company, including powers of attorney with the delegation right;
- 3) approve personnel arrangements of the Company, its branches and representative offices, determine the manner, systems and amounts of labor remuneration;
- 4) by agreement with the Board of Directors, appoint and dismiss deputy General Directors, the chief accountant and the head of the Company's internal audit (control) unit;
- 5) take on job and dismiss employees of the Company;
- 6) issue orders, directions and instructions binding upon all employees of the Company;
- 7) approve internal documents of the Company regulating its everyday business, except the internal documents regulating the Company's business referred, under this Charter, to the competence of the General Meeting of Shareholders, the Board of Directors and the Management Board;
- 8) approve regulations on branches and representative offices of the Company;
- 9) in consultation with the Board of Directors appoint and dismiss deputy chief executive officers, the chief accountant, *the head of the legal service*, the head of the internal audit unit, *the head of the security service, the head of the unit for preparation and conduct of competitive procurement, and the heads of branches and representative offices of the Company*;
- 10) arrange performance of resolutions of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company, performance of obligations to the budget and counter-parties;
- 11) open accounts with banks;
- 12) arrange control over the use of material, financial and labor resources;
- 13) approve the list of information containing commercial secrets and other confidential information of the Company;
- 14) ensure performance of the existing laws in the Company's business;
- 15) decide on institution, on behalf of the Company, of claims and actions against legal entities and individuals, exercise the rights of a shareholder (member) of business entities and other organizations participated by the Company;
- 16) decide on participation and termination of the Company's participation in other entities, if such decision leads to a transaction in the amount of not more than 450,000,000 (four hundred and fifty million) rubles or is connected with reorganization or liquidation of an entity with the balance sheet value of its assets not exceeding 450,000,000 (four hundred and fifty million) rubles;
- 17) decide, in accordance with the procedures of entering into transactions, on transactions in an amount of not more than 450,000,000 (four hundred and fifty million) rubles;
- 18) decide on other issues of the Company's everyday business.

Article 26. Management Board of the Company

26.1. The Management Board of the Company is a collective executive body of the Company and shall act in accordance with this Charter, as well as the regulation on the Management Board of the Company approved by the General Meeting of Shareholders.

26.2. The Management Board shall be responsible for management of the Company's everyday business.

26.3. The Management Board shall be formed by the Board of Directors of the Company under recommendations of the General Director of the Company from among heads of the Company's structural units and other persons having relevant professional qualification and management experience.

26.4. The number of members of the Management Board of the Company shall be determined by the Board of Directors of the Company as appropriate for efficient discussion of various issues, as well as taking timely and efficient decisions.

26.5. The competence of the Management Board of the Company shall include:

- 1) arrangement of control over implementation of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company;
- 2) working out, for submitting to the Board of Directors of the Company, long-term plans and the most important programs of the Company's business, including annual budget and investment programs of the Company, preparation of reports on performance thereof, as well as working out and approval of short-term plans of the Company's business;
- 3) arrangement of control over performance of long-term and short-term plans and programs of the Company, implementation of investment, financial and other projects of the Company;
- 4) approval of rules ensuring proper arrangement and reliability of accounting in the Company and timely submitting annual reports and other financial statements to the relevant authorities, as well as providing information of the Company's business to shareholders and creditors;
- 5) approval of internal documents of the Company on the issues referred to the competence of the Management Board;
- 6) working out proposals regarding participation and termination of the Company's participation in other entities (including foreign ones), opening and termination of branches, representative offices of the Company for submitting to the Board of Directors of the Company;
- 7) deciding on other issues of the Company's everyday business proposed by the General Director of the Company.

Article 27. Major transactions. Interested-party transactions

Resolutions on approval of major transactions and interested-party transactions shall be taken by the General Meeting of Shareholders and by the Board of Directors of the Company in accordance with the requirements of Chapters X and XI of the Federal Act "On joint stock companies".

Article 28. Auditing Committee of the Company

28.1. In order to control the financial and business activities of the Company, the General Meeting of Shareholders shall elect the Auditing Committee including 5 members with the term of office till the next following annual General Meeting of Shareholders.

Under resolution of the General Meeting of Shareholders, members of the Auditing Committee of the Company may be paid, during their term of office, remuneration and/or compensation for the expenses connected with performance of their duties. The amount of such remunerations and compensations shall be determined by resolution of the General Meeting of Shareholders.

28.2. The competence of the Auditing Committee of the Company shall include, along with the issues stipulated by the Federal Act "On joint stock companies":

- 1) inspection and analysis of the financial position of the Company, its solvency, functioning of the internal control system and financial/operational risks management system, assets liquidity, debt ratio;
- 2) inspection of timely and proper carrying out settlements with counter-parties, the budget, as well as in respect of labor remuneration, social insurance, accrual and payment of dividends and other settlements;
- 3) inspection of observation, during the use of material, labor and financial resources in industrial and financial/business activities, of the existing standards and limits, approved estimates and other documents regulating the Company's business, as well as performance of resolutions of the General Meeting of Shareholders;
- 4) inspection of compliance with law of the Company's business operations carried out

under agreements and transactions entered into on behalf of the Company;

5) inspection of cash and property of the Company, efficient use of assets and other resources of the Company, identification of reasons of overheads and expenses;

6) inspection of performance of the orders for rectification of irregularities and faults previously revealed by the Auditing Committee;

7) checking compliance of resolutions on the issues relating to financial and business activities taken by the Management Board and the Board of Directors of the Company with the Charter of the Company and resolutions of the General Meeting of Shareholders.

The procedures of activities of the Auditing Committee of the Company shall be determined by the regulation on the Auditing Committee approved by the General Meeting of Shareholders.

28.3. An inspection (audit) of financial and business activities of the Company shall be performed in respect of the results the Company's business for year, as well as at any time at the initiative of the Auditing Committee of the Company, under resolution of the General Meeting of Shareholders, the Board of Directors of the Company or at the request of a shareholder (shareholders) of the Company holding, in the aggregate, at least 10 per cent of voting shares in the Company.

28.4. At the request of the Auditing Committee of the Company, the persons holding positions in the management bodies of the Company shall submit documents relating to financial and business activities of the Company.

28.5. The Auditing Committee of the Company shall be entitled to request for convocation of an extraordinary General Meeting of Shareholders in accordance with article 55 of the Federal Act "On joint stock companies".

28.6. Members of the Auditing Committee of the Company shall not act in conjunction as members of the Board of Directors of the Company, as well as hold any other positions in the management bodies of the Company.

The shares held by members of the Board of Directors of the Company or the persons holding any positions in the management bodies of the Company shall not take part in voting on election of members of the Auditing Committee of the Company.

Article 29. Outside Auditor of the Company

29.1. The Outside Auditor (auditor entity) of the Company shall inspect the financial and business activities of the Company in accordance with legislation of the Russian Federation under the agreement entered with him.

29.2. The Outside Auditor of the Company shall be approved by the General Meeting of Shareholders. The amount payable for his services shall be determined by the Board of Directors of the Company.

Article 30. Accounting, reporting, documents of the Company

30.1. The Company shall keep business accounts and submit financial statements in accordance with the procedures stipulated by the Federal Act "On joint stock companies" and other legislation of the Russian Federation.

30.2. Reliability of the data included into the annual report of the Company and annual accounting statements shall be confirmed by the Auditing Committee of the Company.

30.3. The annual report of the Company shall be pre-approved by the Board of Directors of the Company not later than 30 days before the date of annual General Meeting of Shareholders.

30.4. The General Director of the Company shall be responsible for arrangement, condition and reliability of accounting in the Company, timely submitting annual report and other financial documents to the relevant authorities, as well as information provided to

shareholders, creditors and the mass media.

30.5. The Company shall keep the following documents:

- 1) Memorandum of Association of the Company;
- 2) Charter of the Company, amendments and additions to the Charter of the Company, as registered in due course, resolution on incorporation of the Company, document confirming the state registration of the Company;
- 3) documents confirming the Company's title to the property it holds;
- 4) internal documents of the Company;
- 5) regulations on branches or representative offices of the Company;
- 6) annual reports;
- 7) accounting documents;
- 8) accounting statements;
- 9) minutes of the General Meetings of Shareholders, meetings of the Board of Directors, the Auditing Committee and the Management Board of the Company;
- 10) ballot papers, as well as powers of attorney (copies thereof) for participation in the General Meeting of Shareholders;
- 11) reports of independent appraisers;
- 12) lists of the Company's affiliates;
- 13) lists of persons entitled to attend the General Meeting of Shareholders, entitled to dividends, and other lists executed by the Company to enable shareholders exercise their rights in accordance with the requirements of the Federal Act "On joint stock companies";
- 14) conclusions of the Auditing Committee of the Company, the outside auditor of the Company, the state and municipal financial control authorities;
- 15) issuance prospectuses, quarterly reports of the issuer and other documents containing information, which is to be published or otherwise disclosed in accordance with the Federal Act "On joint stock companies" and other federal laws;
- 16) notices on execution of shareholders' agreements sent to the Company, and lists of persons which are parties to such agreements;
- 17) judicial acts on disputes connected with incorporation of the Company, management thereof or participation therein;
- 18) other documents stipulated by the Federal Act "On joint stock companies", this Charter, internal documents of the Company, resolutions of the General Meeting of Shareholders, the Board of Directors, the General Director, the Management Board of the Company, as well as documents stipulated by legislation of the Russian Federation.

30.6. The Company shall keep the documents set out in paragraph 30.5 hereof at the location of its executive body in accordance with the procedures and within the time limits stipulated *by the Bank of Russia*.

Article 31. Providing information by the Company

31.1. Information of the Company shall be provided by it in accordance with the Federal Act "On joint stock companies" and other legislation of the Russian Federation.

31.2. Shareholders of the Company holding, in the aggregate, at least 25 per cent of voting shares in the Company shall enjoy the right of access to the Company's documents, including primary accounting documents.

31.3. The documents stipulated by the Federal Act "On joint stock companies" shall be made available by the Company, at the request of a shareholder, within 7 (seven) days of the request, for inspection at the Company's location. The Company shall, at the request of the persons allowed an access to the documents stipulated by the Federal Act "On joint stock companies", provide them with copies of such documents. The charge taken by the Company for providing such copies shall not exceed their making costs.

Article 32. Reorganization of the Company

32.1. The Company may be reorganized voluntarily in the manner of merger, takeover, division, segregation or transformation in accordance with the procedures stipulated the Federal Act "On joint stock companies".

Other grounds and procedures of reorganization of the Company are determined by the Civil Code of the Russian Federation and other federal laws.

32.2. The Company shall be considered as reorganized, except reorganization in the manner of takeover, from the date of the state registration of the newly established legal entities. In the case of reorganization of the Company through takeover of another company, the Company shall be considered as reorganized from the date of the respective entry made in the Unified State Register for Legal Entities to the effect of termination of the company taken over.

Article 33. Liquidation of the Company

33.1. The Company may be wound up voluntarily in accordance with the procedures *stipulated by the Civil Code of the Russian Federation, subject to the Federal Act "On joint stock companies" and this Charter.*

Liquidation of the Company under a judicial decision shall be effected on the grounds stipulated by the Civil Code of the Russian Federation.

33.2. In the case of liquidation of the Company, the Board of Directors shall propose to the General Meeting of Shareholders to discuss liquidation of the Company and appointment of the liquidation committee in accordance with Article 21, paragraph 4 of the Federal Act "On joint stock companies".

From the date of appointment, the liquidation committee shall assume all the powers relating to management of the Company's affairs. The liquidation committee shall act in the courts on behalf of the Company.

The procedures of liquidation of the Company and distribution of the property remaining after completion of settlements with creditors are determined *by the laws of the Russian Federation.*

33.3. Liquidation of the Company shall be considered as completed, and the Company as terminated from the date of the entry to that effect made in the Unified State Register for Legal Entities.