

**by decision of the OAO Sibneft
general shareholders meeting
Minutes No. ____ of _____ 2003
Meeting chairman**

_____ **(K.N. Potapov)**

**CHARTER
OF OPEN JOINT-STOCK COMPANY
Sibirskaya Neftyanaya Kompaniya
(OAO Sibneft)**

(version No. 7)

1. GENERAL

1.1. The joint-stock company Sibirskaya Neftyanaya Kompaniya (hereafter the Company) shall be an open joint-stock company. The Company shall be a legal entity operating on the basis of its Charter and the laws of the Russian Federation.

1.2. The Company was incorporated without any restrictions on the period of its operations.

1.3. The Company was incorporated under decrees of the President of the Russian Federation No. 1403 On Specifics of Privatization and Corporatization of State Enterprises and Production and Scientific-Production Associations in Oil and Oil Refinery Industries and in Oil Products Supply of November 17, 1992, and No. 872 On Incorporation of Open Joint-Stock Company Sibirskaya Neftyanaya Kompaniya of August 24, 1995, and under Resolution No. 972 On Establishing Open Joint-Stock Company Sibirskaya Neftyanaya Kompaniya of the Government of the Russian Federation of September 29, 1995.

The Company was registered by the Omsk City Registration Chamber on October 6, 1995, registration No. 38606450.

1.4. The Company is the successor to the following entities:

- Limited Liability Company "Olivesta" (Registration certificate # 482 dated 02.10.2000);
- Limited Liability Company "Vester" (Registration certificate # 5780 dated 16.03.2001);
- Limited Liability Company "Terra" (Registration certificate # 630/20 dated 18.05.2001);
- Limited Liability Company "Argus" (Registration certificate # 637/3 dated 18.05.2001);
- Limited Liability Company "Antarex" (Main State Registration Number 1028700586760);
- Limited Liability Company "Unikar" (Main State Registration Number 1028700586782).

2. BUSINESS NAME AND LOCATION

2.1. The business name of the Company

Full: Open joint-stock company Sibirskaya Neftyanaya Kompaniya

Abbreviated: OAO Sibneft

The Company's name in English:

Full: Joint Stock Company "Siberian Oil Company"

Abbreviated: JSC Sibneft

2.2. Location of the Company: 85 Oktyabrskaya St., Lyubinsky worker settlement, Lyubinsky District, Omsk Oblast, Russian Federation.

Postal address of the Company: 4 Sadovnicheskaya St., Moscow 115035, Russian Federation.

3. GOALS AND SUBJECT OF OPERATIONS

3.1. The goal of the Company's operations shall be to derive profit.

3.2. The Company shall have civil rights and bear civil responsibilities essential to the performance of any type of operations not prohibited by the federal laws.

3.3. The Company may pursue individual types of activities, the list of which is determined by federal laws, only under special permits (licenses).

3.4. The Company shall perform activities of the following main types:

1) prospecting for oil, gas and other deposits, organization of the mining, transportation and processing of oil, gas and other minerals, production of oil products and petrochemical and other products, including consumer goods and services to the public, sales of oil, petroproducts and other products of the refinery and processing of hydrocarbons and other raw materials (including sales to the public and export) by enterprises of the Company, including through coordination and cooperation of their operations, and supply of company production to the regions in which it operates;

2) organization of the filling of orders for federal needs and for regional consumers of products turned out by enterprises of the Company;

3) investment, scientific-technical, supply, sales, economic, external economic and legal support for the operations of enterprises of the Company. Research on the goods and services markets and scientific, sociological and other studies;

4) organization of production units and banking, investment, financial, insurance and other enterprises to serve the objectives and interests of the Company;

5) organization of advertising and publishing activities and holding of exhibitions, fairs, auctions, etc.;

6) intermediation, consultation, marketing and other activities, including external economic ones, export-import operations, and performance of works and services on a contractual basis;

7) geological and geophysical surveys and geological prospecting for oil, gas and other minerals;

8) mining, transportation and refinery and processing of oil, gas and other minerals, and storage and sales (including export) of oil, gas, petroproducts and other products of hydrocarbons and other raw materials;

9) application of methods of enhancing horizon yields and intensification of oil extraction;

10) development of design documentation at the stage of feasibility proposals for the construction, reconstruction, expansion and technical modernization of facilities and units for oil and gas extraction;

11) construction and operation of facilities for the production, preparation, transportation, refinery and processing of oil and gas, and also facilities related to geophysical studies and geological prospecting;

12) construction and operation of industrial explosion hazardous and mining production units, trunk gas, oil and product pipelines and lifting and hoisting complexes, and also boilers and pressure vessels and pipelines;

13) construction of wells for all purposes;

14) production of construction materials and structures;

15) performance of engineering services(design, production and construction engineering);

16) performance of customer's functions;

17) drafting of tender documentation for bids;

18) topographic, geodesic, cartographic and surveying works;

19) planning and surveying works related to prospecting for and development and rehabilitation of sand and gravel pits;

20) planning and surveying works related to the allocation of land sites for development projects and forest cutting licenses;

21) radio relay and telephone communications, construction of communication and teleautomatics lines;

22) production, installation and repair of drilling, oil and gas production, geological prospecting, explosion-proof and electric engineering equipment, control systems and instruments, emergency protection and alarm signaling equipment and systems, lifting and hoisting complexes, and also boilers and pressure vessels and pipelines;

23) specialized operations to install all automatic, teleautomatic and communications equipment and control and measurement devices and their adjustment and start-up;

24) operation of communication systems, engineering networks, land improvement, housing, social and cultural facilities and non-housing space maintenance, provision of power, heat and water supply, and road and bridge maintenance;

26) construction and maintenances of hotel, housing and utilities projects.

4. LEGAL STATUS

4.1. The Company shall be a legal entity and own segregated property that shall be registered on its independent balance sheet. The Company may in its own name acquire and exercise property and personal non-property rights, discharge obligations and act as a plaintiff or defendant in a court of law.

4.2. The Company shall have the right to open bank accounts on the territory of the Russian Federation and outside it according to the established procedures.

4.3. The Company shall have a round seal bearing its full business name in the Russian language and specification of its location, and also the following round seals: "for agreements," "for shipping documents," "for shipping documents-2," "for shipping documents-3," "for shipping documents-4," "accounting office. for references," "first department," "human resources," "for payment documents," "for invoices" and "for customs documents."

4.4. The Company shall have stamps and letterhead bearing its name, its own emblem, and also a properly registered trademark and other means of visual identification.

4.5. The Company shall perform all types of foreign economic operations.

4.6. The Company may participate in and/or establish commercial organizations on the territory of the Russian Federation and outside it.

4.7. The Company may, on a voluntary basis and on the terms and conditions that do not contravene anti-monopoly legislation, join unions and associations and/or participate in other non-profit organizations on the territory of the Russian Federation and outside it.

4.8. The Company shall be obligated to arrange for the maintenance and safekeeping of a register of shareholders in accordance with the legal acts of the Russian Federation from the moment of the state registration of the Company.

4.9. The Company shall implement government measures of mobilization preparations in accordance with the existing legislation and regulatory acts of the Russian Federation.

5. LIABILITY

5.1. The Company shall be liable under its obligations to the extent of all the property owned by it.

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

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

6. AFFILIATES AND REPRESENTATIVE OFFICES

6.1. The Company may establish affiliates and open representative offices on the territory of the Russian Federation and outside it.

6.2. Affiliates and representative offices shall perform activities on behalf of the Company, which shall be liable for their activities.

6.3. Affiliates and representative offices shall not be legal entities, shall be awarded property by the Company and shall operate in accordance with their statutory documents.

6.4. The chief officers of affiliates and representative offices shall act under powers of attorney issued by the Company.

6.5. List of affiliates and representative offices of the Company:

1. Moscow affiliate of OAO Sibneft, Moscow.
2. Noyabrsk affiliate of OAO Sibneft, Noyabrsk, Tyumen Oblast.
3. Yamal representative office of OAO Sibneft, Salekhard, Tyumen Oblast.

7. AUTHORIZED CAPITAL

7.1. The authorized capital of the Company shall be 7,586,079,4224 (seven million, five hundred eighty six thousand, seventy nine, and four thousand and two hundred twenty four ten-thousandths) rubles, and shall consist of 4,741,299,639 (four billion, seven hundred forty one million, two hundred ninety nine thousand and six hundred thirty nine) ordinary registered shares with a face value of 0.0016 (sixteen ten-thousandths) ruble, acquired by the shareholders.

7.2. Increasing Authorized Capital

7.2.1. The authorized capital of the Company can be increased through increasing the face value of shares or issuing additional shares.

7.2.2. Decision on increasing the authorized capital of the Company through increasing the face value of its shares shall be taken by the general shareholders' meeting.

7.2.3. Decision on increasing the authorized capital of the Company through issuing additional shares shall be taken by the general shareholders' meeting.

7.2.4. When increasing the authorized capital, the Company shall be obliged to comply with the restrictions instituted by federal laws.

7.3. Reducing Authorized Capital

7.3.1. The authorized capital of the Company can be reduced through decreasing the face value of shares or reducing their total number, in particular, through acquisition of part of the shares.

7.3.2. The authorized capital can be reduced through the acquisition of part of the Company's shares by decision of the general shareholders' meeting with a view to their redemption.

7.3.3. The authorized capital can be reduced by decision of the general shareholders' meeting on reducing the authorized capital by redeeming the shares becoming available to the Company in the following cases:

- if the shares bought out by the Company at the shareholders' request have not been sold within one year of the day of their buyout (except in cases of shares buyout following any decision on Company reorganization);

- if the shares acquired by the Company in accordance with para 2 of Article 72 of the Federal Law On Joint-Stock Companies have not been sold within one year of the acquisition date.

7.3.4. If upon the completion of the second and each successive fiscal year the value of the net assets of the Company according to the annual balance sheet submitted for the shareholders'

approval or according to the audit appears to be less than its authorized capital, the Company shall be obliged to announce a reduction of the authorized capital to a value not exceeding the value of its net assets.

In this case the authorized capital of the Company shall be reduced through decreasing the face value of the shares.

7.3.5. Within 30 days of the date of decision on reducing the authorized capital the Company shall give written notice to the creditors of the Company regarding the reduction of the authorized capital and its new amount, and also to announce the decision taken through the printed medium specialized in publication of information about the state registration of legal entities.

7.3.6. The authorized capital of the Company shall be reduced through redeeming part of its shares by decision of the shareholders' general meeting on reorganizing the Company in the following cases:

- as stipulated by subpara 1 of para 6 of Article 76 of the Federal Law On Joint-Stock Companies;

- reorganization of the Company in the form of branching-off through redemption of converted stock.

7.3.7. In reducing its authorized capital, the Company shall be obliged to comply with the restrictions instituted by federal laws.

7.4. Net Assets

7.4.1. The value of the net assets of the Company shall be assessed based on the accounting data according to the procedures instituted by legal and regulatory acts of the Russian Federation.

7.4.2. In the event upon the end of the fiscal year the value of the net assets of the Company according to the annual accounting balance sheet as submitted to the shareholders of the Company for approval or according to the findings of the audit appears to be less than the value of the minimum authorized capital as established by the RF laws for the open joint-stock company, the Company shall be obliged to take decision on its liquidation.

7.4.3. If in the event specified in para 7.3.4 of the Charter the Company does not take decision within reasonable time limits on reducing its authorized capital, or in the event specified in para 7.4.2 of the Charter -- decision on liquidation, the creditors shall be entitled to request from the Company the early termination or discharge of obligation and compensation for their losses. In such cases the agency responsible for the state registration of legal entities or other state or local government authorities empowered by federal laws to make such demands shall have the right to initiate judicial procedures for the liquidation of the Company.

8. SHARES

8.1. Types of Shares Placed by the Company. General Rights and Obligations of Shareholders

8.1.1. The Company shall have the right to place common shares, and also preferred shares of one or several types.

8.1.2. All shares of the Company shall be registered, and shall be issued in non-documentary form.

8.1.3. Shareholders shall not be liable for the obligations of the Company and shall bear the risk of losses resulting from its operations to the extent of the value of the shares held by them.

8.1.4. Shareholders who have not fully paid up shares upon their placement shall bear joint and several liability for the obligations of the Company to the extent of the unpaid part of the value of the shares held by them.

8.1.5. The shareholder shall be obliged:

to comply with the requirements of the Charter;

to pay up the shares upon their placement within the time limits, under the procedures and in the ways stipulated by the laws, the Charter of the Company and the agreement on the placement of shares;

to discharge other duties as stipulated by the law, by the Charter and also by decisions passed by the shareholders' general meeting within its terms of reference.

8.1.6. Rights of the holders of shares of all categories (types):

to alienate the shares held by them without the consent of other shareholders and/or the Company;

the shareholders of the Company shall have the preferred right to buy additional shares and emission securities convertible into shares, when they are placed through closed subscription, in quantities proportionate to the quantity of the shares of the respective category (type) held by them;

the shareholders of the Company who have voted against the placement of shares or emission securities convertible into shares through closed subscription or who have not participated in the vote on this matter shall have the preferred right to buy additional shares and emission securities convertible into shares, when they are placed through closed subscription, in quantities proportionate to the quantity of the shares of the respective category (type) held by them. The said right shall not apply to the placement of shares or other emission securities convertible into shares through closed subscription exclusively among shareholders in the event shareholders can acquire a whole number of placed shares or other emission securities convertible into shares in quantities proportionate to the quantity of the shares of the respective category (type) held by them;

to receive a share of net profits (dividends) to be distributed between shareholders as prescribed by the law and the Charter depending on the category (type) of the shares held by him/her;

to receive part of the property of the Company (liquidation quota) remaining after the liquidation of the Company in proportion to the quantity of the shares of the respective category (type) held by him/her;

to have access to the documents of the Company as prescribed by the law and the Charter and to obtain copies thereof for pay;

to exercise other rights as prescribed by the laws, the Charter and decisions passed by the shareholders' general meeting within its terms of reference.

8.2. Ordinary Shares

8.2.1. Every ordinary share of the Company shall have equal face value and entitle its holder to an equal amount of rights.

8.2.2. Under the Federal Law On Joint-Stock Companies the holders of ordinary shares of the Company can attend the shareholders' general meeting with the right to vote on matters within its terms of reference, and also have the right to receive dividends, and in the event of the liquidation of the Company the right to receive part of its property (liquidation quota).

8.3. Preferred Shares

8.3.1. In the event of placement of the Company's preferred shares of one or several types, the Company's preferred shares of the same type shall have equal face value and entitle their holders to an equal amount of rights.

8.3.2. The holder of a preferred share shall have the right to attend the shareholders' general meeting held in the form of co-attendance. The holder of preferred shares of the Company shall not have the right to vote in the shareholders' general meeting unless otherwise stipulated by the Federal Law On Joint-Stock Companies.

The holder of preferred shares shall attend the shareholders' general meeting with the right to vote on questions of the reorganization and/or liquidation of the Company.

8.3.3. The holder of a preferred share has a priority right as compared with the holder of an ordinary share to receive:

assessed but unpaid dividends upon the liquidation of the Company;

a share of the value of the property of the Company (liquidation value) remaining after its liquidation in the event the liquidation value of preferred shares is stipulated by the Charter.

8.4. Voting Shares

8.4.1. The voting share shall be a share entitling its holder to the right to vote on all matters within the terms of reference of the general meeting or on individual matters within its terms of reference.

The share carrying the right to vote on all matters within the terms of reference of the general meeting shall be:

a fully paid ordinary share, with the exception of the shares at the disposal of the Company;

a privileged share the amount of dividend on which is determined by the Charter starting with the meeting following the annual general meeting that, regardless of the reasons, failed to decide on paying dividends or decided on paying partial dividends on the preferred shares of this type (except in cases prescribed by the law).

8.4.2. A preferred share of any type shall carry the right of vote in deciding on reorganization or liquidation of the Company.

8.4.3. A preferred share of a specific type shall carry the right to vote in decision-making on amendments and additions to the Charter of the Company that restrict the rights of holders of preferred shares of this type, including cases of determining or increasing the size of dividend and/or determining or increasing the liquidation value payable on the preferred shares of the preceding order of priority, and also the entitlement of holders of preferred shares of other types to other privileges regarding the succession of the payment of dividends and/or the liquidation value of shares.

8.4.4. The shares carrying the right to vote on all matters within the terms of reference of the shareholders' general meeting shall entitle their holder to the right:

to participate in voting (including by proxy) at the shareholders' general meeting on all questions within its terms of reference;

to nominate candidates for the agencies of the Company under the procedures and terms and conditions envisaged by the law and by the Charter;

to make proposals for the agenda of the shareholders' annual general meeting under the procedures and terms and conditions envisaged by the law and by the Charter;

to request to see the list of persons entitled to attend the shareholders' general meeting under the procedures and terms and conditions envisaged by the law and by the Charter;

to have access to the accounting records and documents under the procedures and terms and conditions envisaged by the law and by the Charter;

to request the convocation of an extraordinary general meeting of shareholders and/or verification of the financial and business operations of the Company by the auditing commission under the procedures and terms and conditions envisaged by the law and by the Charter;

to request the buyout by the Company of all or part of his/her shares in cases prescribed by the law.

8.4.5. Preferred stock carrying the right to vote only on individual matters within the terms of reference of the shareholders' general meeting shall entitle their holder to the right:

to participate in voting (including by proxy) at the shareholders' general meeting only if and when such matters are to be decided;

to request the buyout by the Company of all or part of his/her shares in cases prescribed by federal laws.

9. PLACEMENT OF SHARES AND OTHER EMISSION SECURITIES

9.1. The Company shall have the right to place additional shares and other emission securities through subscription and conversion. In the event of an increase in the authorized capital of the Company with its own property the Company shall be obliged to place additional shares by distributing them among shareholders.

9.2. In the event of placement of shares and/or emission securities convertible into shares by subscription the Company shall have the right to hold open and closed subscriptions.

10. ACQUISITION OF PLACED SHARES BY THE COMPANY

10.1. By decision of the shareholders' general meeting on decreasing the authorized capital of the Company by buying out part of the placed shares in order to reduce their total quantity, the Company shall have the right to acquire shares placed by it.

10.2. The shares acquired by the Company under the decision of the shareholders' general meeting on decreasing the authorized capital of the Company by buying out part of the placed shares in order to reduce their total quantity shall be redeemed upon acquisition.

10.3. The Company shall have the right to acquire shares placed by it by decision of the Board of Directors in accordance with para 2 of Article 72 of the Federal Law On Joint-Stock Companies.

10.4. The shares acquired by the Company in accordance with para 2 of Article 72 of the Federal Law On Joint-Stock Companies shall not carry the right to vote, shall not be included in the votes count, and no dividends shall be assessed on them. Such shares shall be sold at their market value not later than within one year of the date of their acquisition, otherwise the shareholders' general meeting shall take the decision on decreasing the authorized capital of the Capital by redeeming the said shares.

10.5. The Company shall pay for the placed shares acquired by it in cash, securities, other property, or property and/or other rights that have monetary value.

10.6. In taking decision on acquisition by the Company of shares placed by it, the Company shall comply with the restrictions instituted by federal laws.

11. DIVIDENDS

11.1. Dividend shall be part of the net profits of the Company that is distributed among shareholders in proportion to the shares of the respective categories and types that are held by them.

11.2. The Company shall have the right to take decision on (announce) the payment of dividends on placed shares. Decision on the payment of dividends, the amount of dividend and the form of its payment on the shares of each category (type) shall be taken in accordance with the requirements of the Federal Law On Joint-Stock Companies. The amount of the dividend may not be higher than that suggested by the Board of Directors of the Company.

11.3. The dividend shall be paid in cash unless otherwise stipulated by the decision of the shareholders' general meeting on the payment of dividends.

11.4. The deadline for the payment of dividends is May 31 of the year following the year in which the decision was taken on the payment of dividends, unless otherwise established by the decision on the payment of dividends.

11.5. In taking the decision on (announcing) the payment of dividends, the Company shall comply with the restrictions prescribed by federal laws.

12. STRUCTURE OF MANAGEMENT AND CONTROL BODIES

12.1. The management bodies of the Company shall include:

- the general meeting of shareholders;
- the Board of Directors;
- the management board as the collegiate executive body;
- the President as the one-person executive body;
- in the event a liquidation commission has been appointed, it shall take over the functions of managing the affairs of the Company.

12.2. The body of control over the financial and business operations of the Company shall be the auditing commission.

12.3. The Board of Directors, the President and the auditing commission shall be elected by the shareholders' general meeting.

12.4. The members of the management board shall be appointed by the Board of Directors of the Company.

12.5. In the event of voluntary liquidation of the Company the liquidation commission shall be elected by the shareholders' general meeting, and in the event of its forcible liquidation the liquidation commission shall be appointed by a court of law (arbitration court).

13. GENERAL MEETING OF SHAREHOLDERS

Competence of the General Meeting of Shareholders

13.1. The general meeting of shareholders is the top managing body of the Company.

The general meeting of shareholders can take decisions (the forms of holding a general meeting of shareholders) through:

simultaneous presence of shareholders discussing agenda items and deciding on questions put to the vote;

voting by correspondence (without the simultaneous presence of shareholders to discuss agenda items and deciding on questions put to the vote).

The Company is obligated to hold each year an annual general meeting of shareholders in deadlines not earlier than two months earlier and not later than six months after the end of the fiscal year.

The general meetings of shareholders of the Company, held in the form of simultaneous presence, are convened in the Russian Federation, in the city of Moscow.

13.2. The competence of the general meeting of shareholders includes deciding on the following questions:

1) making changes and additions to the Company's Charter or approving the new wording of the Company's Charter (except cases provided in paras 2-5 of Article 12 of the federal law On Joint-Stock Companies);

2) reorganizing the Company;

3) liquidating the Company, appointing the liquidation commission and approving the intermediate and final liquidation balancesheets;

4) electing members of the Company's Board of Directors and an early termination of their powers;

5) electing the Company's President and an early termination of his powers;

6) electing members of the Company's auditing commission and an early termination of their powers;

7) approving the auditor of the Company;

8) deciding on the quantity, nominal value and category (type) of announced stock and the rights provided by the stock;

9) increasing the Company's equity;

10) placing the Company's emitted securities convertible into stock;

11) reducing the Company's equity by reducing the nominal value of stock through acquisition by the Company of a part of the stock in order to reduce the overall quantity, as well as through redemption of stock (stock held by the Company) acquired and bought-out by the Company;

12) approving annual reports, the annual accounting reports, including the Company's profit and loss statements (profit and loss accounts), as well as distributing the profit, including payment (announcing) of dividends and losses of the Company, based on the results of the fiscal year;

13) defining the procedure for holding a general meeting of shareholders;

14) fragmenting and consolidating stock;

15) deciding to approve deals in cases provided by Article 83 of the federal law On Joint-Stock Companies;

16) deciding to approve major deals in cases provided by Article 79 of the federal law On Joint-Stock Companies;

17) deciding on participation in holding companies, financial-industrial groups, associations and other associations of commercial entities;

18) approving internal documents regulating the activity of the Company's bodies, including Regulation on the General Meeting of Shareholders, Regulation on the Board of Directors, Regulation on the President, Regulation on the Management Board, and Regulation on the Procedure of Activity of the Auditing Commission;

19) deciding on remuneration and (or) compensation of expenses to members of the Company's auditing commission, related to the performance by them of their duties during the period in which they discharge their duties; establishing the amount of such remuneration and compensations;

20) deciding on remuneration and (or) compensation of expenses to members of the Company's Board of Directors, related to the performance by them of their functions of members of the Board of Directors during the period in which they discharge their duties; establishing the amount of such remuneration and compensations;

21) deciding on compensation from the resources of the Company of expenditure to persons and entities -- initiating an early general meeting of shareholders, of expenditure involved in preparing and holding that meeting;

22) deciding on transfer of powers of the single "one-person" executive body of the Company, under an agreement, to a commercial organization (managing organization) or to an individual entrepreneur (the manager);

23) deciding on an early termination of the powers of the managing organization or the manager;

24) defining the list of additional documents, the keeping of which by the Company is binding;

25) deciding on other issues provided by the federal law On Joint-Stock Companies.

13.3. The general meeting of shareholders is not authorized to examine and decide on issues not placed by the law and the Company's Charter within its competence.

13.4. The general meeting of shareholders is not authorized to decide on issues not included in the meeting's agenda or to change the agenda.

13.5. The general meeting of shareholders is chaired by the Chairman of the Board of Directors and, in his absence, by another person in accordance with the Board of Directors' decision.

Procedure of Decision-Making by the General Meeting of Shareholders

13.6. The general meeting of shareholders decides on a question put to the vote by a majority of votes of shareholders owning the Company's voting stock and attending the meeting, unless the federal law On Joint-Stock Companies provides otherwise.

13.7. The general meeting of shareholders decides only on the proposal from the Board of Directors the questions listed below:

- 1) reorganization of the Company;
- 2) increasing the Company's equity;
- 3) reducing the Company's equity through reducing the stock's nominal value, through acquisition of stock by the Company to reduce their overall quantity, as well as through redemption of stock (stock held by the Company) acquired or bought out by the Company;
- 4) fragmentation and consolidation of stock;
- 5) approval of deals in cases provided by Article 83 of the federal law On Joint-Stock Companies;
- 6) approval of major deals in cases provided by Article 79 of the federal law On Joint-Stock Companies;
- 7) participation in holding companies, financial-industrial groups, associations and other associations of commercial entities;
- 8) approval of internal documents regulating the activity of the bodies of the Company;
- 9) payment of remuneration to members of the Company's auditing commission and (or) compensation of expenditure related to their carrying out of their duties;
- 10) the transfer of powers of the single one-person executive body of the Company, under an agreement, to a commercial organization (managing organization) or an individual entrepreneur (manager).

13.8. The general meeting of shareholders decides on questions listed below by a three-fourths majority of votes of shareholders -- owners of voting stock participating in the general meeting of shareholders:

- 1) introduction of changes and additions to the Company's Charter and approval of the Company's Charter in a new wording (except cases provided in paras 2-5 of Article 12 of federal law On Joint-Stock Companies);
- 2) reorganization of the Company;
- 3) liquidation of the Company, appointment of liquidation commission and approval of the intermediate and final liquidation balancesheets;
- 4) deciding on the quantity, nominal value, and category (type) of announced stock and rights that go with the stock;
- 5) increasing the Company's equity through placement of stock through closed subscription;
- 6) placement of the Company's emission securities converted into stock, through closed subscription;
- 7) increasing the Company's equity by placing, through open subscription, ordinary shares amounting to over 25 percent of previously placed ordinary shares;

8) placing, through open subscription, of emission securities, converted into ordinary shares, that can be converted into ordinary shares, in the amount of over 25 percent of previously placed ordinary shares;

9) deciding to approve major deals in cases provided by para 3 of Article 79 of the federal law On Joint-Stock Companies.

The decision to transform the Company into a non-commercial partnership can be taken by the unanimous vote of all the Company shareholders.

13.9. The votes at the general meeting of shareholders on the voted question, when the right to vote belongs to shareholders owning ordinary and privileged shares of the Company, are counted on the basis of all the voting stock together, unless the law provides otherwise.

13.10. The decisions taken by the shareholders general meeting as well as the results of the voting are made public at the general meeting at which the vote was held, or are made public within 10 days of the drafting of the protocol on the results of the vote in the form of a report on the results of the vote -- and brought to the notice of persons included in the list of those authorized to participate in the general meeting of shareholders through a procedure for making a report on the holding of the general meeting of shareholders.

Information on the Holding of a General Meeting of Shareholders

13.11. The report on the holding of a general meeting of shareholders must be made within 30 days of its holding. If the proposed agenda for an early meeting of shareholders contains an item on election of members of the board of directors, the report on the holding of the general meeting of shareholders shall be made within 50 days of its holding.

Within the deadlines indicated, the report on the holding of a general meeting of shareholders must be published in the Rossiiskaya Gazeta and put on the Internet site of the Company. The Company has the right to additionally inform the shareholders on the holding of a general meeting of shareholders by other means.

13.12. The information (materials) subject to distribution to people authorized to participate in the general meeting of shareholders and in preparations for the general meeting of shareholders - includes annual reports, the annual bookkeeping accounts, including the opinion of the auditor, the opinion of the Company's auditing commission on the results of verifying the annual bookkeeping accounts, information on the candidate (candidates) for election as the President of the Company, into the Board of Directors and the auditing commission of the Company, the auditor of the Company, the draft changes and additions tabled to the Company's Charter, or the draft Charter of the Company in a new wording, the drafts of internal documents of the Company approved by the general meeting of shareholders, the drafts of decisions of the general meeting of shareholders and recommendations of the Board of Directors on voting on each agenda items, including the special opinions of the Board of Directors members on each agenda item, an indication to the initiator of each agenda item, as well as other documents provided by the internal documents of the Company and a decision by its Board of Directors.

Proposals for the Agenda of the General Meeting of Shareholders of the Company

13.13. Shareholders (shareholder), who together own not less than 2 percent of the Company's voting stock, are authorized to table items to the agenda of the annual general meeting

of shareholders and to nominate candidates to the Board of Directors and the auditing commission of the Company, whose number cannot exceed the composition of the body in question defined in the Company's Charter, as well as a candidate to the position of the President. Such proposals must be submitted to the Company within 70 days of the end of the fiscal year.

13.14. If the agenda proposed for an early general meeting of shareholders features an item on election of members of the Board of Directors, shareholders (shareholder) of the Company who together own not less than 2 percent of the Company's voting stock, have the right to propose candidates for election to the Company's Board of Directors, whose number cannot exceed the composition of the Board of Directors as defined in the Company's Charter. Such proposals must be submitted to the Company at least 30 days in advance of the early general meeting of shareholders.

13.15. The proposal to table items for the agenda of the general meeting of shareholders must contain the wording of each item proposed. The proposal to include items on the agenda of the general meeting of shareholders must contain the wording of the decision on each item proposed.

13.16. The proposal to nominate candidates must contain the name of each candidate proposed, his main place of work, the position held and the name of the body for the election to which he is proposed.

13.17. The proposals to include items in the agenda of the general meeting of shareholders and to nominate candidates are made in writing, indicating the surname (name) of the submitting shareholders (shareholder), the quantity and categories (type) of shares they hold, and must be signed by shareholders (shareholder).

13.18. The Company's Board of Directors is obligated to consider the incoming proposals and decide on their inclusion in the agenda of the general meeting of shareholders or on refusal to include an item in the agenda, within 5 days of the expiry, established by the Charter, of the deadline for submission to the Company of the said proposals as well as the expiry of the deadline for submission to the Company of proposals to the agenda of an early general meeting of shareholders concerning nomination of candidates to the Company's Board of Directors.

13.19. An item, proposed by shareholders (shareholder), is subject to inclusion in the agenda of the general meeting of shareholders and the candidates proposed are subject to inclusion in the list of candidates for voting on election to the appropriate body of the Company except if:

- shareholders (shareholder) have failed to observe the deadlines established by the Charter, for election to the Company's bodies;

- shareholders (shareholder) have failed to observe the deadlines established by the Charter for submission of candidacies for election as Board of Directors members at the early general meeting of shareholders;

- shareholders (shareholder) are not owners of not less than 2 percent of the Company's voting shares;

- the proposal does not meet the requirements provided by the Company's Charter;

- the item submitted for inclusion in the agenda of the general meeting of shareholders is not assigned to its competence under the law and the Company's Charter and (or) does not meet the

requirements of the federal law On Joint-Stock Companies and other legal acts of the Russian Federation.

13.20. The motivated decision of the Company's Board of Directors on refusal to include the proposed item on the agenda of the general meeting of shareholders or a candidate in the list of candidates for voting in election to the appropriate body of the Company is sent to the shareholders (shareholder) who have submitted the item or nominated a candidate, within three days of the date of the adoption of the decision.

13.21. The Company's Board of Directors is not authorized to make changes in the wording of items proposed for inclusion in the agenda of the general meeting of shareholders, and in the wording of the decisions on such items.

13.22. In addition to items, proposed by shareholders for inclusion in the agenda of the general meeting of shareholders, as well as in the event of absence of such proposals, absence or insufficient number of candidates proposed by the shareholders for constituting an appropriate body, the Board of Directors of the Company has the right to include in the agenda of the general meeting of shareholders items or candidates for the list of candidates at its own discretion.

An Early General Meeting of Shareholders

13.23. An early general meeting of shareholders is held by a decision of the Company's Board of Directors, based on its own initiative, the request from the auditing commission, the auditor of the Company, as well as of shareholders (shareholder) who own not less than 10 percent of the Company's voting stock on the date of the submission of the request.

The convening of the early general meeting of shareholders at the request of the auditing commission, the Company auditor or shareholders (shareholder) who own not less than 10 percent of the Company's voting shares, is carried out by the Company' Board of Directors.

13.24. The Company's Board of Directors must take the decision on convening or refusing to convene an early general meeting of shareholders within 5 days of the date of submission of the request by the auditing commission, the auditor of the Company or shareholders (shareholder) who own not less than 10 percent of the Company's voting shares, concerning convening an early general meeting of shareholders.

The decision taken by the Company's Board of Directors on convening an early general meeting of shareholders or a motivated decision to refuse to convene it -- shall be sent to people requesting its convening, within three days from the moment of adoption of such decision.

The decision to refuse to convene an early general meeting of shareholders at the request of the auditing commission, the Company auditor or shareholders (shareholder) who own not less than 10 percent of the Company's voting shares, can be taken only on grounds established by the federal law On Joint-Stock Companies.

The Company's Board of Directors decision to refuse to convene an early general meeting of shareholders can be appealed in court.

13.25. An early general meeting of shareholders, convened at the request of the auditing commission, the Company auditor or shareholders (shareholder), who own not less than 10 percent of the Company's voting shares, must be held within 40 days of the moment of submission of the request for an early general meeting of shareholders.

If the proposed agenda of the early general meeting of shareholders contains an item on election of members of the Company's Board of Directors, such a general meeting of shareholders shall be held within 70 days of the moment of submission of the request to hold an early general meeting of shareholders.

13.26. In cases when, under the federal law On Joint-Stock Companies, the Company's Board of Directors is obligated to decide on holding an early general meeting of shareholders to elect members of the Board of Directors, such general meeting of shareholders must be held within 70 days of the moment the Company's Board of Directors decided to convene it.

13.27. If within the deadline established by the federal law On Joint-Stock Companies the Company's Board of Directors has not decided on convening an early general meeting of shareholders or has decided to refuse to convene it, the early meeting of shareholders can be convened by bodies and persons requesting its convening.

In the process, the bodies and persons convening an early general meeting of shareholders have the powers, provided by the federal law On Joint-Stock Companies, necessary to convene and hold a general meeting of shareholders.

In this case the expenditure on preparing and holding a general meeting of shareholders can be compensated from the resources of the Company on a decision of the general meeting of shareholders.

Quorum of the General Meeting of Shareholders

13.28. The general meeting of shareholders is authorized to proceed (has quorum), if it is attended by shareholders who together own more than half the votes of the placed voting shares of the Company.

Shareholders registered for participation in the general meeting of shareholders, and the shareholders whose ballots were received within 2 days of the date of the holding of the general meeting of shareholders, are considered to have taken part in the general meeting, held in the form of simultaneous presence of the shareholders to discuss the agenda items and decide on issues put to the vote.

The shareholders whose bulletins were received before the date of termination of the acceptance of the ballots, are considered to have taken part in the general meeting held by correspondence.

13.29. In the absence of the quorum for holding the annual general meeting of shareholders, a repeated general meeting of shareholders must be held with the same agenda. In the absence of the quorum for holding an early general meeting of shareholders, a repeated general meeting of shareholders can be convened with the same agenda.

A repeated general meeting of shareholders is authorized to proceed (has quorum), if it is attended by shareholders who together own not less than 30 percent of the votes of the Company's voting shares.

Ballots

13.30. Voting on agenda items of the general meeting of shareholders is done with ballots.

13.31. In holding a general meeting of shareholders (annual or early), the ballot shall be sent or delivered, the fact of which is to be certified by the signature, to each person indicated in the list of those authorized to participate in the general meeting of shareholders, within 20 days of the convening of the general meeting.

Ballots shall be sent by mail.

13.32. In holding a general meeting of shareholders, excepting a general meeting of shareholders held by correspondence, persons included in the list of those authorized to participate in the general meeting of shareholders (their proxies), have the right to participate in such a meeting or send filled out ballots to the Company. In determining the quorum and summing up the results of the vote, account is taken of the votes represented by the ballots received by the Company within 2 days of the date of convening the general meeting of shareholders.

13.33. The ballot must contain information provided in para 4 of Article 60 of the federal law On Joint-Stock Companies. The ballot may contain additional information as determined by the Board of Directors in approving the form and the text of the ballot.

13.34. In the voting done with ballots, account is taken of votes on issues on which the voters are left with only one possible variant to vote. The ballots filled out with violations of this requirement, are considered invalid, and the votes on issues contained in it are not counted.

If an item, which is voted on by ballots, includes more than one wording of the decision on the item and the "in favor" voting option is left with regard to more than one of the proposed wordings, the ballot is considered to be invalid.

If in electing the President of the Company and also in deciding on approval of the Company auditor the "in favor" voting option is left in the case of more than one candidate, the ballot is considered to be invalid.

If in electing the auditing commission of the Company, the "in favor" voting option is left with regard to a greater number of candidacies than there are vacancies, the ballot is considered to be invalid.

If in the cumulative vote to elect the Company's Board of Directors the shareholder has distributed among the candidates a greater number of votes than he has, the ballot is considered to be invalid.

If the ballot contains several questions put to the vote, non-observance of the above requirements in regard to one or several questions does not entail ruling the ballot invalid for the vote as a whole.

If the ballot is not signed by the shareholder or his proxy, or if the powers of the proxy are not formalized and approved according to the requirements of Article 57 of the federal law On Joint-Stock Companies, the votes represented by the ballot, are not considered in deciding on the quorum and in summing up the results of the voting.

Teller's Commission

13.35. The teller's commission verifies the powers and registers the persons participating in the general meeting of shareholders, determines the quorum of the general meeting, explains issues

arising in connection with the use by shareholders (their proxies) of the right to vote at the general meeting of shareholders, explains the procedure of voting on items put to the vote, ensures the observance of the established voting procedure and the shareholders' rights to participate in the vote, counts the votes, sums up the results of the vote, drafts a protocol on the results of the voting, and takes the used ballots to the archive.

13.36. The functions of the teller's commission are performed by the Company's registrar.

14. THE BOARD OF DIRECTORS

The Board of Directors' Jurisdiction

14.1. The Company's Board of Directors conducts day-to-day running of the Company, except for issues that have been referred by federal laws and the Charter to the jurisdiction of the general shareholders meeting.

14.2. The following falls within the jurisdiction of the Board of Directors:

1) determining priority areas of the Company's development, including strategic objectives of the Company, the main types of activity and regions of operation, the dividend policy, a long-term and medium-term development strategy of the Company, endorsing the annual business plans of the Company;

2) calling the annual and extraordinary general shareholders meetings, except for cases provided for in Clause 8, Article 55 of the federal law On Joint Stock Companies;

3) endorsing the agenda of the general shareholders meeting;

4) determining the date when a list of people entitled to attend the general shareholders meeting is to be drawn up, and other issues referred to the jurisdiction of the Company's Board of Directors in accordance with Chapter VII of the federal law On Joint Stock Companies and connected with the preparation and conduct of the general shareholders meeting;

5) giving preliminary endorsement to the Company's annual reports, annual accounting reports, including profit/loss statements based on the results of a fiscal year;

6) appointing members of the Company's Management Board;

7) terminating the powers of the members of the Company's Management Board ahead of time;

8) endorsing an agreement on the transfer of the powers of the one-person executive body of the Company to a commercial organization (management organization) or individual entrepreneur (manager);

9) adopting decisions on the creation of a temporary one-person executive body of the Company and on the holding of an extraordinary general shareholders meeting to solve the question of early termination of the powers of the Company president or the management organization (manager) and the election of the president of the Company or the transfer of the powers of the one-person executive body to the management organization or the manager if the president of the Company or the management organization (manager) cannot discharge their duties;

- 10) adopting a decision on the suspension of the powers of the Company president or the management organization or the manager. Simultaneously with this decision the Company's Board of Directors has to adopt a decision on the creation of a temporary one-person executive body of the Company and the holding of an extraordinary general shareholders meeting to solve the question of early termination of the powers of the Company president or the management organization (manager) and the election of the president of the Company or the transfer of the powers of the one-person executive body to the management organization or the manager;
- 11) placing bonds and other emission securities that cannot be converted into shares;
- 12) endorsing the decision to issue securities, prospectuses of issue, a report on the results of the emission of securities, and adopting changes and additions to them;
- 13) endorsing quarterly reports of the emission of securities;
- 14) determining the price (money value) of property, the price of placement and redemption of securities in cases provided for in the federal law On Joint Stock Companies;
- 15) acquiring shares placed by the Company in accordance with Clause 2, Article 72 of the federal law On Joint Stock Companies;
- 16) acquiring bonds and other securities placed by the Company in cases provided for in the federal law On Joint Stock Companies;
- 17) issuing recommendations to the general shareholders meeting with regard to the size of rewards and compensations paid to members of the Auditing Commission;
- 18) determining the size of remuneration for the services of the auditor;
- 19) issuing recommendations to the general shareholders meeting with regard to the size of dividends on shares and the procedure for the payment of dividends;
- 20) issuing recommendations to the general shareholders meeting with regard to the distribution of profit and losses of the Company based on the results of a fiscal year;
- 21) using the reserve and other funds of the Company;
- 22) endorsing internal documents of the Company except for internal documents regulating the work of the Company's bodies endorsed by decision of the general shareholders meeting, and other internal documents of the Company, the endorsement of which is referred by the Charter to the jurisdiction of the one-person executive body, adopting changes and additions to these documents;
- 23) creating and liquidating branches and representative offices of the Company, endorsing regulations on the branches and representative offices, adopting changes and additions to same;
- 24) adopting amendments to the Company's Charter connected with the creation of branches, the opening of representative offices or their liquidation;
- 25) endorsing major transactions in cases provided for in Chapter X of the federal law On Joint Stock Companies;

26) endorsing transactions in cases provided for in Chapter XI of the federal law On Joint Stock Companies;

27) confirming the Company's registrar and the terms of contract with him, as well as terminating the contract with same;

28) adopting at any time a decision to audit the Company's financial and economic activities;

29) selecting a person authorized to sign a contract on behalf of the Company with the president (management organization or manager) and members of the Company's Management Board;

30) endorsing the main provisions of contracts with the president and members of the Company's Management Board;

31) drawing up a list of additional documents that are required to be kept in the Company;

32) endorsing the procedures of internal control over the financial and economic activities of the Company;

33) endorsing internal procedures for managing risks, ensuring compliance, analyzing the effectiveness of such procedures and improving them;

34) other issues provided for in the federal law On the Joint Stock Companies and the Charter.

14.3. Issues referred to the jurisdiction of the Company's Board of Directors cannot be delegated to the Company's executive body for resolution.

Election of the Board of Directors

14.4. Members of the Company's Board of Directors are elected by the general shareholders meeting for a period until the next annual general shareholders meeting.

If the annual general shareholders meeting was not held within the timeframe specified in Clause 1, Article 47 of the federal law On Joint Stock Companies, the powers of the Company's Board of Directors are terminated except for the powers to prepare, call and hold the annual general shareholders meeting.

If the term of the Board of Directors has expired, and the annual general shareholders meeting has elected fewer members to the Board of Directors than is required for a quorum to hold a meeting of the Board of Directors, as determined by the Charter, the elected Board of Directors of the Company has to adopt a decision to hold an extraordinary general shareholders meeting to elect a new Board of Directors, the elected Board of Directors is not empowered to consider issues that fall within the jurisdiction of the Company's Board of Directors except for the preparation, convocation and conduct of an extraordinary general shareholders meeting.

14.5. A member of the Board of Directors may not be a shareholder of the Company. Only an individual may be a member of the Company's Board of Directors.

14.6. The nine-member Board of Directors is elected by cumulative vote at the general shareholders meeting. In case of cumulative vote, the number of votes held by each shareholder is multiplied by the number of persons to be elected to the Company's Board of Directors, and a shareholder has the right to cast all the votes thus acquired for one candidate or split them among two or more candidates.

Candidates who have received the biggest number of votes are deemed elected to the Board of Directors.

14.7. The decision of the general shareholders meeting to terminate the powers of the members of the Board of Directors ahead of time may be adopted only with regard to all members of the Company's Board of Directors.

If the powers of all members of the Board of Directors have been terminated ahead of time, and the extraordinary general shareholders meeting has elected fewer members to the Board of Directors than is required for a quorum to hold a meeting of the Board of Directors, as determined by the Charter, the elected Board of Directors of the Company must adopt a decision to hold an extraordinary general shareholders meeting to elect a new Board of Directors, the elected Board of Directors has no powers to consider issues that fall within the jurisdiction of the Company's Board of Directors, except for the powers to prepare, call and hold an extraordinary general shareholders meeting.

14.8. A member of the Board of Directors may at any time resign by sending a written note to the Company and stating the date of his resignation. In such case the powers of other (acting) members of the Board of Directors are not terminated, except as provided for in Clause 14.10 of the Company's Charter.

14.9. The following are members of the Board of Directors who have vacated office:

persons who have deceased or who have been duly proclaimed missing or incapable;

persons whose powers have been terminated ahead of time by decision of the general shareholders meeting;

persons who have resigned as members of the Board of Directors and sent a written notice thereof to the Company;

persons whose powers as members of the Board of Directors have been terminated or suspended by decisions of court or law-enforcement agencies that have become legally effective.

In the event of any vacancy occurring in the Board of Directors due to the early termination of the powers of a member of the Board of Directors by decision of the general shareholders meeting or due to voluntary resignation, his powers are terminated without further restoration. In such case, the departure of the member of the Board of Directors cannot obstruct his election to the Board of Directors in the future in accordance with the procedure established by the Charter.

If a member of the Board of Directors vacates his office for other reasons, his powers are restored if the reasons that caused his departure no longer apply.

14.10. If the number of members of the Board of Directors of the Company becomes smaller than is required for a quorum to hold a meeting of the Board of Directors, as determined by the Charter, the Company's Board of Directors has to make a decision to hold an extraordinary

general shareholders meeting to elect a new Board of Directors. The remaining members of the Company's Board of Directors have the right to adopt only a decision to call such extraordinary general shareholders meeting.

Chairman of the Board of Directors

14.11. Chairman of the Company's Board of Directors is elected by the Board of Directors members of their midst by a majority of votes of all the members, the votes of the outgoing members not taken into account.

14.12. The Board of Directors has the right at any time to re-elect its Chairman by the majority of votes of all the Board of Directors members, the votes of the outgoing members not taken into account.

14.13. Chairman of the Board of Directors organizes the work of the Board, convenes meetings of the Company's Board of Directors, chairs them and organizes the keeping of the minutes.

14.14. In the absence of the Board Chairman, his functions are performed by a Board of Directors member under the decision by the Company's Board of Directors.

Board of Directors Meeting

14.15. A meeting of the Company's Board of Directors is convened by Chairman of the Board of Directors at his own initiative, at the request of a member of the Board, auditing commission or a Company's auditor, an executive body of the Company, as well as at the request of a shareholder (shareholders) who together own two or more percent of voting shares.

The request from the shareholder (shareholders) who together own 2 or more percent of voting shares, to convene a Board of Directors meeting can be submitted only to examine items provided by sub-paras 2 -- 10, 18 -- 20, 24 of para 14.2 of the present Charter.

14.16. In determining the existence of the quorum and the results of voting on agenda items, account is taken of the written opinion of a member of the Company's Board of Directors absent from the Board meeting.

14.17. The Board of Directors can take a decision through a vote by correspondence. The procedure for convening and holding a Company's Board of Directors meeting, as well as the procedure for taking decisions through a vote by correspondence is defined in the Regulation on the Board of Directors.

14.18. The quorum for holding a Board of Directors meeting requires the presence and (or) the existence of a written opinion of not less than five Board of Directors members, except cases when the federal law On Joint-Stock Companies and (or) the Company's Charter require the presence and (or) the existence of a written opinion of a different number of Board of Directors members.

The quorum for holding a meeting of directors to decide on issues provided by sub-paras 1, 19 of para 14.2. of the present Charter, as well as to have the decision of the general meeting of shareholders on reorganizing or liquidating the Company, increasing its equity -- is the presence and (or) the existence of a written opinion of not less than six Board of Directors members,

including in the event of election of independent directors to the Board of Directors -- not less than 1/2 of the number of independent acting directors.

14.19. The decision of the Board of Directors, taken through a vote by correspondence, is considered to be valid if the vote by correspondence involved not less than five Board of Directors members, excepting cases when the federal law On Joint-Stock Companies and (or) the Company's Charter require a different number of Board of Directors members taking part in the vote by correspondence.

A Board of Directors decision, taken by the vote by correspondence on issues provided by sub-para 1, 19 of para 14.2. of the present Charter, as well as to have the general meeting of shareholders to decide the issues of reorganizing and liquidating the Company or increasing its equity is considered to be valid if not less than six members of the Board of Directors took part in the vote by correspondence, including in the event of electing independent directors to the Board -- not less than 1/2 of the number of independent acting directors.

The independent directors, indicated in paras 14.18. and 14.19. of the present Charter, are members of the Board of Directors:

- who are not affiliated persons of the Company and do not have the grounds for affiliation to persons affiliated vis-a-vis the Company (excepting participation in the Company's Board of Directors), and

- not holding emission securities of the Company or partnerships affiliated with respect to the Company, and

- not tied to the Company or its affiliated persons by any relations -- labor or contractual as well as not participating in the management bodies of legal entities affiliated with regard to the Company or having contractual relations with the Company, within which such legal entities can acquire property worth more than a thousand-fold minimum labor remuneration, and

- who are representing, vis-a-vis the Company, based on a proxy or otherwise, a person (persons) owning more than 2 percent of the voting shares of the Company.

14.20. Decisions at a meeting of the Company's Board of Directors are taken by a majority of the votes of members of the Company's Board of Directors, participating in the meeting and (or) expressing their opinion in writing, if the federal law On Joint-Stock Companies and the Company's Charter do not provide otherwise.

A Board of Directors' decision taken through a vote by correspondence is considered to be taken if it got the "in favor" vote of over half the membership of the Board of Directors participating in the vote by correspondence, if the federal law On Joint-Stock Companies and the Company's Charter do not provide otherwise.

The decision to approve the deal with respect to which there is an interest, is taken by the Company's Board of Directors by the majority vote of independent directors not having an interest in transacting it. If all the members of the Company's Board of Directors are deemed to be interested persons and (or) are not independent directors, the deal may be approved by a decision taken by the general meeting of shareholders through the procedure provided by para 4 of Article 83 of the federal law On Joint-Stock Companies.

In deciding to approve a deal in respect of which an interest is involved, an independent director is a member of the Company's Board of Directors, who is not and has not been for the duration of one year preceding the adoption of the decision:

a person carrying out the functions of the one-person executive body of the Company, including its manager, a member of the Management Board, a person holding positions in the managing bodies of the managing entity;

a person whose spouse, parents, children, full and half brothers and sisters, step-parents and adoptees are persons holding positions in the said managing bodies of the Company, the managing organization of the Company or are managers of the Company;

affiliated person of the Company, excepting a member of the Company's Board of Directors.

The decision to approve a major deal on property worth 25 to 50 percent of the balancesheet value of the Company's assets is taken by a unanimous vote of all the Board of Directors members, the votes of the outgoing members of the Board of Directors not being taken into account. If the Board of Directors fails to reach unanimity, the question may, on a Board of Directors' decision, be submitted to the general meeting of shareholders for a decision.

Decisions on the following questions are taken by the majority of three-fourths of the Board members, the votes of the outgoing Board of Directors members not being taken into account:

- deciding to form a temporary one-person executive body of the Company or to hold an early general meeting of shareholders to decide on an early termination of the powers of the President of the Company or the managing organization (manager) or on electing the President of the Company or on handing over the powers of one-person executive body to the managing company or to the manager in the event of the impossibility for the Company President or the managing organization (manager) to discharge its duties;

- deciding on suspension of the powers of the Company President or suspension of the powers of the managing organization or manager. Simultaneously with the decision in question, the Company's Board of Directors is obligated to decide on establishing a temporary one-person executive body of the Company and on holding an early general meeting of shareholders to decide on an early termination of the powers of the President of the Company or the managing organization (manager) and on electing the Company President or on handing over the powers of one-person executive body to the managing organization or the manager.

14.21. In deciding on questions at the meeting of the Company's Board of Directors, each Board member has one vote.

Delegating the right of vote from a Board member to another person, including another Board of Directors member, is not allowed.

If the votes of the Company's Board of Directors members are equally divided in taking a decision, the Board of Directors Chairman has the casting vote.

15. EXECUTIVE BODIES OF THE COMPANY

15.1. The day-to-day activities of the Company shall be supervised by the one-person executive body of the Company -- the President and the collegiate executive body of the Company -- the management board.

Management Board

15.2. The following issues of the management of the current activities of the Company shall be within the competence of the Company's management board:

1) preparing proposals on general guidelines of the activities and development of the Company, investment, credit and financial and price policy;

2) preparing proposals on the main parameters and terms of the issue of securities and on dividend policy;

3) ensuring regular expert examination of the financial and economic activities of the Company;

4) making decisions on the conclusion of transactions connected with acquisition, alienation or possible alienation by the Company, direct or indirect, of the property whose value at the time of the decision accounts for between 10 and 25 percent of the book value of the Company assets with the exception of transactions performed in the course of normal economic activities of the company;

5) preparing proposals on the organizational structure of the Company;

6) making decisions on the signing of the Collective Agreement by the Company and approving the terms thereof.

15.3. The members of the management board shall be appointed by the Board of Directors of the Company. They shall be three in number and shall be appointed for a term of 5 years unless a different term is established by decision of the Board of Directors. The powers of any member of the management board may be terminated by the Board of Directors of the Company.

15.4. The president of the Company shall perform the functions of the chairman of the management board.

15.5. The procedure of the work and making of decisions by the management board shall be determined by an internal document of the Company approved by the General Meeting of Shareholders.

The President of the Company

15.6. All the issues of managing the current activities of the Company except the issues that are within the competence of the General Meeting of Shareholders, the Board of Directors and the management board of the Company shall be within the competence of the President.

The President shall organize implementation of the decisions of the General Meeting of Shareholders, the Board of Directors and the management board of the Company.

The President shall act on behalf of the Company without a power of attorney, represent its interests, approve its staff chart, issue orders and directives that are binding on all the employees of the company.

The President shall effect transactions on behalf of the Company, including independent transactions connected with the acquisition, alienation or possible alienation by the Company, directly or indirectly, of the property whose value accounts for less than 10 percent of the book value of the Company's assets as determined in accordance with the accounting report as of the last reporting date unless a different procedure of effecting such deals is envisaged by the federal law On Joint Stock Companies and these Charter.

Transactions connected with acquisition, alienation or possible alienation by the Company, directly or indirectly, of property whose value accounts for 10 percent or more of the book value of the assets of the Company, with the exception of the transactions effected in the course of normal business activities, as well as any other transactions for which a different procedure is envisaged under the federal law On Joint Stock Companies and these Charter, may be effected by the President provided a prior decision to the effect has been taken by the authorized body of the Company management board.

15.7. The rights and duties, the terms and remuneration of the services of the President of the Company shall be determined by the agreement concluded between the President and the Company. The agreement on behalf of the Company shall be signed by the Chairman of the Board of Directors or the person authorized by the Board of Directors of the Company.

15.8. The President shall be elected by the General Meeting of Shareholders for a term of 5 years unless the General Meeting of Shareholders determines a different term.

16. LIABILITIES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE BODIES OF THE COMPANY

16.1. The members of the Board of Directors, the President and members of the Board of the Company, the interim one-person executive body as well as the managing organization or manager in exercising their rights and performing their duties shall act in the interests of the Company, exercise their rights and perform their duties with regard to the Company reasonably and in good faith.

16.2. The members of the Board of Directors, the President and members of the Board of the Company, the temporary one-person executive body as well as managing organization or manager shall be liable to the company for any damage caused to the Company by their culpable actions (inaction) unless different grounds and extent of liability are established under federal laws.

The members of the Board of Directors, members of the Company management board who have voted against the decision that has caused damage to the Company or those who did not take part in the vote, shall not be liable.

16.3. The Company or shareholder (shareholders) who own not less than 1 percent of the ordinary shares of the company shall have the right to sue a member of the Board of Directors, a member of the management board, and the President of the Company for damages caused to the Company in the case stipulated under Section 2, Article 71 of the Federal Law on Joint Stock Companies.

17. AUDITING COMMISSION

17.1. The Auditing Commission shall supervise the financial and economic activities of the Company. The procedure of the activities of the Auditing Commission shall be determined by the internal document of the Company approved by the general meeting of shareholders.

17.2. The Auditing Commission shall consist of three members elected by the General Meeting of Shareholders for the period until the next annual General Meeting of Shareholders.

17.3. The powers of the individual members or the entire body of the Auditing Commission may be terminated by decision of the General Meeting of Shareholders.

17.4. A member of the Auditing Commission may be both a shareholder of the Company or any other person. Members of the Auditing Commission may not simultaneously be members of the Board of Directors of the Company or hold any other office in the governing bodies of the Company.

17.5. The competence of the Auditing Commission shall include:

checking the financial documentation of the Company, accounts, the Commission statements on taking stock of the property, comparison of the said documents with the primary accounting data;

analysis of correct and full keeping of accounts, tax, managerial and statistical records;

analysis of the financial status of the Company, its solvency, liquidity of its assets, the ratio of its equity and borrowed assets, net assets and authorized capital, revealing potential for improving the economic status of the Company and working out recommendations for the management bodies;

checking the timeliness and accuracy of payments to the suppliers of products and services, payments into the budget and off-budget funds, computation and payment of dividends, interest on bonds and redemption of any other obligations;

confirming the authenticity of the data included in the annual reports of the Company, the annual accounting reports, profit and loss reports (profit and loss account), distribution of profits, reporting documentation for tax and statistical bodies and state administration bodies;

verifying the proper authorization of the President in concluding agreements on behalf of the Company;

verifying the validity of the decisions passed by the Board of Directors, the President and the management board of the Company and the compliance thereof with the Company's Charter and decision of the General Meeting of the Shareholders;

review of decisions of the General Meeting of Shareholders for compliance with the law and the Company's Charter.

The Auditing Commission shall have the right to:

demand personal explanation from members of the Board of Directors, members of the management board, the President and employees of the Company, including any officials, on issues within the competence of the Auditing Commission;

raise before the management bodies the issue of liability of the Company employees, including officials, in the event they violate the Charter, the statutes, rules and instructions adopted by the Company;

sign contracts for the services of specialists who are not on the staff of the Company.

17.6. The financial and economic activities of the Company shall be checked (reviewed) from the results of the Company activities during the year or at any time at the initiative of the Auditing Commission of the Company, by decision of the General Meeting of Shareholders, the Board of Directors of the Company or at the request of the shareholder (shareholders) who own a total of not less than 10 percent of the Company's voting shares.

17.7. At the request of the Auditing Commission the persons holding office in the Company's management bodies shall submit documents on the financial and economic activities of the Company.

Such documents shall be submitted within 10 days after the filing of a written request.

17.8. The Auditing Commission shall have the right to call an extraordinary General Meeting of Shareholders under the procedure stipulated under Article 55 of the Federal Law on Joint Stock Companies and the Charter of the Company.

17.9. The Auditing Commission shall have the right to call a meeting of the Board of Directors. The Chairman of the Board of Directors shall have no right to turn down the request of the Auditing Commission to call a meeting of the Board of Directors.

18. COMPANY FUNDS. ACCOUNTING AND REPORTING

18.1. The Company shall establish a reserve fund in the amount of 5 percent of the authorized capital of the Company.

18.2. The authenticity of the data contained in the annual reports, annual account reporting shall be subject to confirmation by the Auditing Commission of the Company.

18.3. Prior to the publication by the Company of the documents indicated in this clause the Company shall engage for annual verification and confirmation of the annual financial reporting an auditor who has no shared property interests with the Company or its shareholders.

The annual reports of the Company are subject to prior approval by the Board of Directors not later than 30 days before the date of the Annual General Meeting of Shareholders.

19. DISCLOSURE OF INFORMATION BY THE COMPANY TO THE SHAREHOLDERS

19.1. The Company shall provide the shareholders with access to the documents stipulated under Section 1, Article 89 of the Federal Law on Joint Stock Companies. Access to accounting

documents and minutes of the meetings of the management board shall be given to the shareholders (shareholder) who own a total of not less than 25 percent of the voting shares of the Company.

19.2. The documents stipulated under Section 1, Article 89 of the Federal Law on Joint Stock Companies shall be submitted within seven days of the filing of a corresponding request to be accessed on the premises of the executive body of the Company. The Company shall, at the request of the persons who have the right of access to the documents stipulated under Section 1, Article 89 of the Federal Law on Joint Stock Companies, provide them with the copies of the said documents. The charge for making such copies available may not exceed the cost of preparing them.