

APPROVED
by the General Shareholders Meeting
Protocol No. __ dated _____, 2007

C H A R T E R
of Open Joint Stock Company
EnergoPolyus

2007

GENERAL PROVISIONS

1.1. Open Joint Stock Company EnergoPolyus, hereinafter referred to as “the Company”, was founded in accordance with the legislation of the Russian Federation through reorganization in the form of spin-off from the Open Joint Stock Company “Mining and Metallurgical Company “Norilsk Nickel.” The Company operates in accordance with the Federal Law *On Joint Stock Companies* (hereinafter referred to as “the Federal Law”), other laws and legal acts of the Russian Federation, and this Charter.

1.2. The Company is a legal successor to OJSC “Mining and Metallurgical Company “Norilsk Nickel” with respect to rights and obligations under the separation balance sheet.

1.3. The Company is a legal entity and owner of assets recorded on its independent balance sheet; the Company may acquire on its own behalf and exercise property and personal non-property rights, bear liabilities and act as claimant and defendant in the court of law.

1.4. The Company is entitled to open bank accounts on the territory of the Russian Federation and beyond.

1.5. The Company has a round seal with its full official name in the Russian language and its location. The seal may contain the Company’s name in any foreign language. The Company is also entitled to have stamps and stationery bearing its name, logo, duly registered trademark and other means of visual identification.

1.6. The Company is liable under its obligations to the full extent of its property. Shareholders bear the risk of losses related to the Company operation to the extent of the value of their shares. The Company bears no responsibility for obligations of its shareholders.

2. NAME AND LOCATION OF THE COMPANY

2.1 Full official name of the Company: Otkrytoye aktsionernoye obshchestvo «EnergoPolyus».

Abbreviated official name of the Company: OAO «EnergoPolyus».

Full official name of the Company in the English language: «Open Joint Stock Company «EnergoPolyus».

Abbreviated official name of the Company in the English language: «OJSC «EnergoPolyus».

2.2. Location of the Company: 143000, Russian Federation, Moscow Region, Odintsovsky District, 17 km of the M-1 Belarus Highway, OJSC Mozhaiskaya Hotel, block 1, 8th floor Nos.800-817, 10th floor Nos. 1000-1017.

3. BUSINESS ACTIVITIES OF THE COMPANY

3.1. The main goal of the Company is to make profit.

3.2. Key business activities of the Company include:

- electric power production;
- electric power transmission;
- electric power distribution;
- ensuring the operation of electric power plants;
- production of vapour and hot water (heat energy);

- transmission of vapour and hot water (heat energy);
- distribution of vapour and hot water (heat energy);
- general construction including construction of electric power plants and facilities for mining and processing industries;
- general construction including construction of heat and other power plants;
- trust management;
- providing consulting services;
- security transactions in compliance with the procedure set out in the law of the RF;
- agency activities;
- design, estimation, engineering, R&D works;
- foreign economic activities;
- logistic services;
- purchase of electric and heat power on wholesale electric (power) markets;
- works setting the conditions for concurrent operations in conformity with the modes of the Unified energy system of Russia within the framework of contractual relationships;
- environment protection activities;
- activities connected with environmental impact, environment protection, use of natural resources, disposal, storage and removal of industrial wastes;
- supervision over safe servicing of electric and heat plants by consumers connected to heat and power grids of the Company;
- education activities including supplementary education activities
- training of personnel, examining their knowledge of maintenance rules, fire safety procedures, safety guidelines and other rules;
- organizing and performing defense activities as regards mobilization, civil defense, emergencies and protection of information which is considered to be a state secret in compliance with the law of the Russian Federation;
- safeguarding activities exclusively to the benefit of own security within the framework of the Company's security service guided by the law of the Russian Federation on Private detective and safeguarding activities in the Russian Federation and the law of the Russian Federation;
- setting energy-saving modes of work for power plants equipment, complying with power supply schedules in accordance with contracts;
- ensuring that power equipment is operated in compliance with the existing regulations, timely and high quality repair, technical re-equipment and reconstruction of power facilities;
- ensuring power supply for consumers connected to power and heat grids of the Company in accordance with the contracts concluded;
- mastering new equipment and technologies ensuring the efficiency, safety and environmental friendliness of the Company's facilities' operation;
- operation of heat grids;
- development of communication facilities;

- storing oil and oil products;
- operation of explosive production facilities;
- operation of fire hazardous production facilities
- operation and maintenance of Gosgortekhnadzor facilities;
- maintenance of buildings and constructions;
- metering support;
- handling hazardous wastes;
- operation of internal gas grids;
- repair of measuring devices;
- mining and other activities related to operation of coal deposits and coal mining;
- coal (including brown coal) mining, processing, including production of new types of products, mining and processing non-metallic minerals, open brown coal mining;
- drilling of water wells and exploration boreholes;
- activities aimed at reclamation of used soil, environmental protection and use of core operations' wastes;
- repair and maintenance of mine and transport equipment, machinery and vehicles including cars;
- selling the products produced;
- wholesale of solid fuel;
- agency servicing in solid fuel wholesale;
- financial industrial group management;
- holding companies management.

3.3. In order to achieve its key business objective the Company is entitled to perform any other business activities except those prohibited by the legislation of the Russian Federation.

3.4. All business activities that require special permits (licenses) or registration may be performed by the Company only upon obtaining necessary permits (licenses) or registration in accordance with the established procedure.

4. AUTHORIZED CAPITAL AND SHARES OF THE COMPANY

4.1. Authorized capital of the Company is comprised of the total nominal value of the Company's shares amounting to RUB 190,627,747 (one hundred ninety million six hundred twenty seven thousand seven hundred forty seven).

4.2. Authorized capital of the Company is divided into 190,627,747 (one hundred ninety million six hundred twenty seven thousand seven hundred forty seven) ordinary registered shares with nominal value of RUB 1 (one) per share.

4.3. Decision to increase the Authorized capital by increasing the nominal value of share must be made by the General Meeting of the Company's shareholders (hereinafter – "the Meeting of Shareholders").

4.4. Decision to increase the Authorized capital through the placement of additional shares must be made unanimously by all members of the Company's Board of Directors, whereas votes of former members of the Board of Directors will not be counted.

4.5. Placement of the Company's shares (or other securities convertible into shares) through a private offering can be effected only by the decision of the Shareholders' Meeting to increase the Company's Authorized capital through the placement of additional shares (or through the placement of other issued securities of the Company convertible into shares), which must be passed by a three-quarter majority vote of shareholders with voting rights, who take part in the Shareholders' Meeting.

4.6. Placement of ordinary shares through public offering, which shares constitute more than 25 per cent of the earlier placed ordinary shares, may only be performed by resolution of the General Meeting of Shareholders adopted by a majority of three quarters of shareholders with voting right participating in the General Meeting.

4.7. Public offering of convertible securities, which may be converted into ordinary shares constituting more than 25 per cent of the earlier placed ordinary shares, may only be performed by resolution of the General Meeting of Shareholders adopted by a majority of three quarters of shareholders with voting right participating in the General Meeting.

4.8. Payment for the Company's shares may be made in cash, securities, other items, property rights, or by any other rights that have a monetary value.

4.9. If the Company's shares are paid for with non-monetary assets, the monetary value of such assets is to be established by the Board of Directors in accordance with the Federal Law and other legal acts and regulations of the Russian Federation.

4.10. The Company may reduce its authorized capital through the purchase and redemption of a portion of shares. The Company may buy back some of its outstanding shares if the Shareholders' Meeting authorizes to reduce the Company's authorized capital through the purchase of some of its shares in order to decrease their total number. The Company has the right to buy back a part of its outstanding shares upon the approval by the Board of Directors.

4.11. Resolution to reduce the authorized capital of the Company through a decrease in the nominal value of shares or through the repurchase of a portion of the shares for the purpose of reducing their total number is to be adopted by the Meeting of Shareholders.

4.12. When the Company buys back some of its outstanding shares under the resolution of the Meeting of Shareholders to reduce the Company's authorized capital through the purchase of a part of its shares in order to reduce their total number, the payment for such repurchased shares may be effected, if so authorized by the Meeting of Shareholders, in cash, securities, other items, property rights or any other rights that have a monetary value.

4.13. The Company shall establish a reserve fund in the amount of 15 (fifteen) percent of the authorized capital. The reserve fund will be financed by annual installments amounting to 5 percent of the net profit until the fund reaches its target size. The reserve fund may be used for covering the Company's losses, for bond redemption, or for the repurchase of shares when no other assets are available. It is not allowed to use the reserve fund for any other purposes.

4.14. From the date of state registration of the Company, the Company is to ensure maintenance and safekeeping of the shareholder register in accordance with legal acts of the Russian Federation.

5. RIGHTS OF SHAREHOLDERS

5.1. Shareholders shall have the following rights:

- (1) Freely dispose of their shares;
- (2) Receive dividends;
- (3) Receive a share of property in the event of the Company's dissolution;

- (4) Attend the Meeting of Shareholders and vote on all issues within its competence (voting is based on the principle “one share – one vote”, unless otherwise provided for by the Federal Law or other legal acts of the Russian Federation);
- (5) Preemptive right to buy additionally issued shares and securities convertible into shares in the course of their placement through public offering, in an amount pro rata to the number of shares of the same category (type) already in their ownership;
- (6) Have access to the information on the Company performance, as provided for by the Federal Law, other legal acts of the Russian Federation and this Charter;
- (7) Exercise other rights as provided for by the Federal Law, other legal acts of the Russian Federation, this Charter, and resolutions of the Meeting of Shareholders adopted in accordance with its authority.

5.2. In the cases provided for by the Federal Law, owners of voting shares are entitled to demand that the Company buy back all or a portion of their shares.

6. GENERAL MEETING OF SHAREHOLDERS

6.1. The highest managing body of the Company is the Meeting of Shareholders. Decision on the venue of the Meeting is to be made by the Board of Directors. Meeting procedures are set out in the Regulations on the General Meeting of Shareholders adopted by the Company’s General Meeting.

6.2. The Company holds an Annual Meeting of Shareholders once a year. Any Annual Meeting of Shareholders may be called no sooner than two months and no later than six month after the end of the Company’s fiscal year. Annual Meeting of Shareholders is convened by the Board of Directors.

6.3. Shareholders (a shareholder) holding no less than two per cent of the Company’s voting shares shall have the right to submit proposals for the agenda of annual and extraordinary Meetings of Shareholders and to nominate candidates for the Board of Directors and Revision Commission of the Company as provided for by the Federal Law. The deadline for submitting proposals for the agenda of an Annual Meeting of Shareholders and a list of candidates nominated for the Board of Directors and Revision Commission of the Company is 30 days after the end of the fiscal year. In addition to the information defined by Article 53, paragraph 4 of the Federal Law, the shareholder’s (shareholders’) proposals with regard to candidates for the Company’s Board of Directors or Revision Commission, are to contain the following information on the candidates:

- (1) Full name;
- (2) Date of birth
- (3) Education;
- (4) Places of employment for the past five years;
- (5) Record of convictions, if any, for economic crimes and crimes against the state;
- (6) Number of Company shares held by the candidate;
- (7) List of all positions occupied by the nominee in managing bodies of other legal entities (providing a full name of such legal entity and the date the nominee accepted the position);
- (8) The candidate’s written consent to accept the proposed position.

6.4. A Notice of the Meeting of Shareholders is to be published in *Rossiyskaya Gazeta* and *Taimyr* newspapers at least 30 days prior to the date of the Meeting. In the event when the Meeting

of Shareholders is held through absentee voting, the announcement of the Meeting of Shareholders must be published in the aforementioned print media at least 30 days before the deadline for the acceptance of voting ballots. The Company may also inform the shareholders of the Meeting by posting an announcement on the Company's website or by sending the Notice by e-mail.

The Company may publish the Notice of the Meeting prior to the date indicated in the first paragraph of this clause 6.4. The Board of Directors may resolve to publish additional announcements about the Meeting of Shareholders in other print media.

6.5. While preparing the Meeting of Shareholders, the Company's Board of Directors (or another body, as provided for by the Federal Law) is to resolve on the following:

- (1) Form of the Meeting (in person meeting or absentee voting);
- (2) Date, place and time of the Meeting of Shareholders (including the time for shareholder registration). In the event when in accordance with Article 60 (Paragraph 3) of the Federal Law the completed voting ballots may be sent to the Company, the postal address for sending the ballots or, in the event the Meeting is conducted by way of absentee voting, the end date on which voting ballots shall be accepted and the postal address for sending the filled in ballots;
- (3) Register closing date;
- (4) Agenda of the Meeting of Shareholders;
- (5) Procedures for informing the shareholders on the Meeting of Shareholders conduction;
- (6) List of information materials (documents) to be made available to shareholders in advance of the Meeting of Shareholders and the order of access to such information;
- (7) Form and text of the voting ballot;
- (8) Rules of Procedure (total duration of the Meeting, breaks, time limits allocated for presentations and speeches on every item and for discussion, etc.).
- (9) 6.6. The Notice of a Meeting of Shareholders shall contain:
- (10) Full official name and location of the Company;
- (11) Form of the Meeting of Shareholders (in person meeting or absentee voting);
- (12) Date, place and time of the Meeting of Shareholders (including the time for shareholder registration). In the event when in accordance with Article 60 (Paragraph 3) of the Federal Law the completed ballots may be sent to the Company, the Notice shall include the postal address for sending the ballots or, in the event the Meeting is conducted by way of absentee voting, the deadline for ballots acceptance and the postal address for sending the completed ballots;
- (13) Register closing date for the Meeting of Shareholders;
- (14) Agenda of the Meeting indicating the persons who proposed to put items on the agenda;
- (15) Procedures for reviewing information (documents) to be provided in advance of a Meeting of Shareholders, and the address (addresses) where it is available for review.

6.7. Information (documents) which is to be provided to eligible persons in the period of Meeting preparation shall include the following: annual accounting statements including the auditor's opinion, conclusions of the Company's Revision Commission on the results of the annual accounts review; information on candidates nominated for the Company's Board of Directors,

Revision Commission and management bodies; draft amendments to the Company's Charter or a new draft of the Charter; draft internal regulations of the Company; draft resolutions of the General Meeting of Shareholders; Annual Report; conclusions of the Audit Committee of the Board of Directors with regards to the Auditor's opinion; report of the Board of Directors containing the Board's motivated opinion with regards to the agenda of the Meeting of Shareholders. Also in the period of meeting preparation, the Board of Directors may decide that the shareholders should be provided with individual opinions of the Company's Board members.

6.8. Information on the nominees to the Company's Board of Directors and Revision Commission shall contain the following:

- (1) Full name;
- (2) Date of birth;
- (3) Education;
- (4) Places of employment over the past five years;
- (5) Record of convictions, if any, for economic crimes and crimes against the state;
- (6) Number of the Company's shares held by the nominee;
- (7) List of all positions held by the nominee in managing bodies of other legal entities (providing a full name of such legal entities and the date when the nominee accepted the position).

6.9. The list of persons eligible to participate in the Meeting of Shareholders is compiled upon the information from the Shareholders' register at the date indicated by the Board of Directors of the Company. The register closing date cannot be set prior to the date when a decision to call the Meeting was made and later than 50 days before the date of the Meeting of Shareholders, and in the cases envisaged by Article 53 (Paragraph 2) of the Federal Law – no later than 85 days before the date of the Meeting of Shareholders. If at a Meeting of Shareholders the quorum is to be established and voting ballots are to be counted in accordance with Paragraph 2 of Article 58 of the Federal Law, the register closing date for the Meeting of Shareholders shall be fixed not later than 35 days before the date of the Meeting of Shareholders.

6.10. Any General Meeting of Shareholders other than the Annual Meeting shall be an Extraordinary Meeting. An Extraordinary Meeting of Shareholders may be called by the Company Board of Directors on its own initiative, or upon a request from the Company's Revision Commission, independent Auditor, or shareholders (shareholder) owning at least 10 percent of voting shares of the Company as at the date of the request.

6.11. The Company's Board of Directors shall convene an Extraordinary Meeting of Shareholders upon the request of the Company's Revision Commission, Independent Auditor or shareholders (shareholder) owning at least 10 percent of voting shares of the Company. A decision or a refusal to convene an Extraordinary Meeting of Shareholders upon the request of the Company's Revision Commission, Independent Auditor or shareholders (shareholder) owning at least 10 percent of voting shares of the Company shall be adopted by the Board of Directors within 5 days since the date of such request. This decision shall be communicated to the parties requesting for an Extraordinary Meeting of Shareholders no later than 3 days after being made. Circumstances under which the Board of Directors may refuse to call an Extraordinary Meeting of Shareholders are specified in the Federal Law.

6.12. When the Extraordinary Meeting is convened upon the request of the Company's Revision Commission or shareholders (shareholder) owning at least 10 percent of voting shares of the Company, this Meeting must be held within 40 days after the date of the request. If election of the Board of Directors is on the agenda of the Extraordinary Meeting of Shareholders, such Meeting must be held within 70 days after the date of the request to convene the Meeting.

6.13. The Board of Directors is not authorized to alter the wording of the agenda items or resolutions on these items, or change the suggested form of Extraordinary Meeting of Shareholders convened upon the request of the Company's Revision Commission, Independent Auditor or shareholders (shareholder) owning at least 10 percent of voting shares of the Company.

6.14. If the Board of Directors fails to convene the Extraordinary Meeting of Shareholders within the aforementioned period of time or refuses to convene the Meeting, the Meeting may be convened by the parties requesting it.

In this case, expenses related to the preparation and convening of the Meeting of Shareholders may be reimbursed by the Company if approved by the Meeting of Shareholders.

6.15. If the proposed agenda of the Extraordinary Meeting of Shareholders includes election of members of the Board of Directors who must be elected by cumulative voting, the shareholder (shareholders) owning in total at least 2 per cent of the voting shares of the Company may propose nominees for the Board of Directors, but the number of such nominees may not exceed the established membership of the Board of Directors of the Company. Such proposals shall be provided to the Company at least 30 days before the date of the Extraordinary Meeting.

6.16. The right to participate in the meeting may be exercised by a shareholder either in person or by proxy. At the general Meeting of Shareholders a shareholder's proxy shall act in accordance with the latter's authorities, which are based on the provisions of federal laws or acts of duly authorized governmental bodies or local self-government bodies, or on the basis of a written power of attorney executed in accordance with the requirements of federal laws. Shareholder may at any time replace his proxy at the General Meeting of Shareholders or participate in the general Meeting of Shareholders personally.

6.17. Voting on items in the agenda of a General Meeting of Shareholders shall be conducted by voting ballot. Voting ballots must be sent no later than 20 days prior to the date of the Meeting.

6.18. The Meeting of Shareholders shall be competent (quorate) if shareholders representing a total of more than one half of the votes conferred by placed voting shares in the Company participate in such Meeting. Shareholders shall be regarded to have participated in a General Meeting of Shareholders if they were registered to participate in such Meeting and those shareholders whose ballots were received no later than two days before the date of the General Meeting of Shareholders. Shareholders shall be regarded to have participated in a general Meeting of Shareholders held by absentee voting if their ballots were received before the ballots submission deadline.

7. AUTHORITY OF THE GENERAL MEETING OF SHAREHOLDERS

7.1. The scope of authority of the General Meeting of Shareholders includes:

7.1.1. amending the Company's Charter or approving an amended and restated Charter;

7.1.2. reorganization of the Company;

7.1.3. dissolution of the Company; appointment of a Dissolution Committee and approval of the interim and final dissolution balance sheets;

7.1.4. determination of the number of members on the Board of Directors of the Company, election of its members and early termination of their powers;

7.1.5. determination of the number, nominal value, category (type) of authorized shares and the rights conferred by such shares;

7.1.6. increase of the Company's authorized capital through an increase in the nominal value of its shares or through the issue of additional shares as provided for by the Federal Law;

7.1.7. reduction of the Company's charter capital through a decrease in the nominal value of its shares, through the repurchase of a portion of the shares by the Company for the purpose of reducing their total number, or through the retirement of shares repurchased or bought back by the Company;

7.1.8. election of members of the Revision Commission and early termination of their powers;

7.1.9. approval of the Auditor of the Company;

7.1.10. approval of annual reports, annual accounting statements including profit-and-loss statements (profit-and-loss accounts) of the Company and the distribution of profits (including the payment (declaring) of dividends, with the exception of profits distributed in the form of dividends based on results of the first quarter, six months and nine months of the financial year) and losses of the Company based on the results of the financial year;

7.1.11. establishing the procedures for conducting the General Meeting of Shareholders;

7.1.12. electing members of a Counting Commission and early termination of their powers;

7.1.13. share splits and consolidations;

7.1.14. adopting resolutions on approving transactions in the instances envisaged by Article 83 of the Federal Law;

7.1.15. adopting resolutions on approving major transactions in the instances envisaged by Article 79 of the Federal Law;

7.1.16. repurchase of placed shares by the Company as envisaged by the Federal Law;

7.1.17. adopting resolutions on participation in financial and industrial groups, associations or other coalitions of commercial organizations;

7.1.18. approving internal documents that govern the activity of the Company's bodies;

7.1.19. payment (declaration) of dividends based on results of the first quarter, six months or nine months of the financial year;

7.1.20. other issues envisaged by the Federal Law.

7.2. The General Meeting of Shareholders shall adopt resolutions on items put to a vote by majority vote of the shareholders that own voting shares in the Company and participate in the Meeting, unless Federal Law requires a greater number of votes to adopt the resolution.

7.3. A resolution on any of the items mentioned in paragraphs 7.1.1-7.1.3, 7.1.5 and 7.1.16 hereof shall be adopted at the General Meeting of Shareholders by three-fourths of votes of the shareholders who own voting shares of the Company and participate in the General Meeting of Shareholders.

7.4. A resolution on any of the items mentioned in paragraphs 7.1.2., 7.1.6., 7.1.13.-7.1.18. of this Charter shall be adopted by the General Meeting of Shareholders only pursuant to a proposal of the Board of Directors.

7.5. A resolution of the General Meeting of Shareholders may be adopted without conducting a meeting (joint presence of shareholders for the discussion of items on the agenda and the approval of resolutions on items put to a vote) by means of absentee voting.

7.6. Shareholders shall be informed on the resolutions adopted by the General Meeting of Shareholders and voting results as provided for by the Federal Law.

7.7. Determination of the Meeting's quorum, counting of votes and other functions of the Counting Commission shall be performed by the Company's Registrar, who maintains the Register of the Company's shareholders in accordance with relevant resolution of the Board of Directors.

8. THE BOARD OF DIRECTORS

8.1. The Company's Board of Directors (hereinafter referred to as "the Board of Directors") is a managing body that carries out the general management of the Company's activities, except for resolving on issues which under the Federal Law and this Charter are included in the scope of competence of the General Meeting of Shareholders.

8.2. Members of the Board of Directors are to be elected by the Annual Meeting of Shareholders in accordance with the procedure defined by the Federal Law, for the period until the following Annual Meeting of Shareholders.

8.3. The Board of Directors is comprised of nine members. The Board of Directors may recommend that the Meeting of Shareholders modify this Charter in order to change the number of members on the Board of Directors.

8.4. Chairman of the Board of Directors (hereinafter referred to as "the Chairman" or "Chairman of the Board of Directors") is elected by a majority vote among all members of the Board of Directors. The Board of Directors is entitled at any time to re-elect its Chairman by a majority vote of all members of the Board of Directors.

8.5. In exercising their rights and performing their duties, members of the Board of Directors shall act wisely and in good faith in the interests of the Company. They shall be liable to the Company for any losses incurred by the Company due to their wrongful actions (or inactions), unless federal laws provide for other grounds or extent of such liability. Members of the Board of Directors who vote against a decision that resulted in losses for the Company or do not participate in such voting shall not be held liable. While determining the grounds and the extent of liability of the Board members, it is necessary to take into account regular business practices and other material circumstances.

8.6. Upon the resolution of the Meeting of Shareholders, members of the Board of Directors during the term of their service may be remunerated and/or compensated for expenses incurred by them in relation to their duties as members of the Board of Directors. The Company may also arrange for liability insurance for members of the Board of Directors, and enter into agreements on indemnification of their potential losses caused by their performance as Board members.

8.7. Chairman of the Board of Directors, or, if the Chairman is absent, one of the members of the Board of Directors elected by the Board of Directors, shall organize the work of the Board of Directors, call and hold its meetings, arrange for minutes of the meetings, and chair the meetings.

8.8. Meetings of the Board of Directors shall be held in accordance with this Charter as often as necessary, but not less frequently than once a quarter. Meetings shall be called by the Chairman of the Board of Directors at his/her own initiative, or at the request of a Board member, Revision Commission, independent auditor of the Company, the Management Board, General Director or shareholders owning totally at least 10 (ten) percent of ordinary shares of the Company. Such request shall be submitted in writing and outline the reasons for the meeting.

The procedure for convening and holding the Board meetings is defined in the Company's internal document entitled *The Regulations on the Board of Directors*.

8.9. The Board of Directors is entitled to pass resolutions by absentee vote.

8.10. Resolutions of the Board of Directors shall be adopted by a majority vote of the Board members participating in the meeting, unless the legislation of the Russian Federation or this Charter provide otherwise.

8.11. Members of the Board of Directors, who are also members of the Company's executive bodies, do not participate in voting on issues related to the remuneration and compensations for the General Director and members of the Company's Management Board, or to

the terms of employment agreement with aforementioned persons.

8.12. When establishing the quorum of the Board of Directors' meeting and counting votes, a written opinion from an absent Board member shall be taken into account, provided that such written opinion was received by the Board of Directors before the meeting.

8.13. Each member of the Board of Directors has one vote at the Board meeting. If the votes of the Board members split even, the Chairman of the Board shall have the casting vote.

8.14. The Board meeting shall be deemed quorate if at least a half of the elected members of the Board of Directors attend the meeting. In the event a meeting's agenda includes issues listed in clauses 9.3.1, 9.3.11, 9.3.15 and 9.3.25 of this Charter, or the issued related to reorganization or dissolution of the Company, or increase or decrease in the Company's charter capital, the Board of Directors' meeting shall be deemed quorate if at least two-thirds of all elected members of the Board of Directors attend the meeting and provided that at least one Independent Director is present, if such a Director has been elected and has not been dismissed from the Board.

8.15. Except for the circumstances where an independent director is defined for the purposes of transactions with interested parties as defined in Article 83 of the Federal Law, a member of the Board of Directors is recognized as an Independent Director if such member meets the following criteria:

- (a) During the year preceding his/her election to the Board of Directors, this person has not been an officer (manager) of the Company (except member of the Board of Directors) and has not been an employee of the Company;
- (b) This person is not an officer of another company, in which any of the officers of the Company are members of the human resources or compensation committee of the board of directors;
- (c) Is not an affiliate of the Company (except for affiliation on the grounds of being a member of the Company's Board of Directors);
- (d) Is not a significant counter-party of the Company with the total annual transaction turnover with the Company worth not less than 10% of the book value of the Company's assets;
- (e) Is not a party to a any contract with the Company under the terms of which he/she may acquire property (receive cash) with the value of 10% or more of the total annual income of this party, other than compensation for participating on the Board of Directors;
- (f) Is not a representative of the government, i.e. a person representing the Russian Federation or any of the Russian Federation's subjects in the board of directors of a joint-stock company where the state holds a special right ("golden share"), or a person elected to the Board of Directors from among the nominees proposed by the Russian Federation, any of the Russian Federation's subjects or a municipal entity, if such member of the Board of Directors has to vote in accordance with written orders (instructions, etc.) of the respective subject of the Russian Federation or municipal entity;
- (g) is not an immediate family member (spouse, parent, child, brother or sister) of any of the Company's officers.

If a member of the Board of Directors who meets the independence criteria serves as member of the Board of Directors for a period of seven years, upon expiry of this period this member is no longer recognized as an Independent Director for the above purposes.

8.16. Protocols of all meetings of the Board of Directors must be kept in accordance with the procedure established by the Federal Law. All protocols must be signed by the Secretary of the Board of Directors, and by the person who chairs a meeting of the Board of Directors and is responsible for the protocol accuracy.

9. AUTHORITY OF THE BOARD OF DIRECTORS

9.1. B Authority of the Board of Directors shall cover general governing of the Company's activities, with the exception of issues, which are placed within the authority of the General Meeting of Shareholders.

9.2. Issues, which are placed within the authority of the Board of Directors by the Federal Law and this Charter, may not be submitted to the Company's executive body for approval.

9.3. The following issues shall be within the authority of the Board of Directors of the Company:

9.3.1. Identification of the Company's operational priorities, its development concepts and strategies and ways of their implementation, approval of the Company's plans and budgets, and approval of changes thereto;

9.3.2. Convening of Annual and Extraordinary Meeting of Shareholders, unless otherwise provided for by the Federal Law;

9.3.3. Approval of the agenda for the General Meeting of Shareholders;

9.3.4. Determining the register closing date and other issues related to preparation and holding of the General Meeting of Shareholders as provided by the Federal Law;

9.3.5. Submission to the Meeting of Shareholders for consideration of issues set out in Articles 7.1.2, 7.1.6, 7.1.13-7.1.18 of this Charter;

9.3.6. Placement of bonds and other securities of the Company, including bonds convertible into shares, and other securities convertible into shares in cases provided for by the Federal Law;

9.3.7. Determining the price (monetary value) of property, as well as placement and repurchase price of issued securities in instances envisaged by the Federal Law;

9.3.8. Repurchase of shares, bonds and other securities issued by the Company, as provided for by the Federal Law;

9.3.9. Formation of executive bodies of the Company and termination of their authority:

- appointment and dismissal of General Director of the Company, determination of his remuneration and compensation package; approval, modification and termination of employment agreement setting forth the rights and obligations of General Director;

- appointment and termination of authorities conferred upon members of the collegiate executive body – the Company's Management Board (upon presentation by General Director); determination of their remuneration and compensation packages; approval, modification and termination of contracts that set forth their rights and obligations;

9.3.10. Providing recommendations on the amount of remuneration and compensation payable to members of the Company's Revision Commission; determination of amounts payable for services rendered by the Company's Auditor;

9.3.11. Providing recommendations on the size of dividends on shares and the procedure of dividends payout;

9.3.12. Management of the reserve fund and other funds of the Company;

9.3.13. Approval of the Company's internal documents, except for those whose approval is delegated by the Federal Law to the Meeting of Shareholders; approval of other internal documents of the Company, the approval of which is delegated under this Charter to the Company's executive bodies;

9.3.14. Foundation (dissolution) of branches and opening (closing) of representative offices of the Company;

9.3.15. Making decisions on the Company's participation in other organizations, its extent and termination (excluding those listed in subparagraph 7.1.17 above), and on transactions which will or may lead to acquisition, alienation or encumbrance of shares, derivative financial instruments serving as equity right certificates, or interest shares in the authorized capital of other economic entities;

9.3.16. Approval of major transactions as provided for by the Federal Law;

9.3.17. Approval of interested party transactions as provided for by the Federal Law;

9.3.18. Approval of the Company's Registrar and the terms of Registrar Agreement; termination of Registrar Agreement;

9.3.19. Increase of the Company authorized capital through placement of additional shares within the established limits as for the number and categories (types) of declared shares;

9.3.20. Approval of a Company's securities issue, securities placement report and securities prospectus, prepared in accordance with federal laws and other applicable legislation;

9.3.21. Making decisions on calling a General Meeting of Shareholders of a subsidiary company and approval of its agenda, if by the power of the subsidiary's charter this matter is not delegated to the authority of another person or body of that company;

9.3.22. Making amendments or changes to the Company's Charter as provided for by the Federal Law;

9.3.23. Control over execution of budgets approved by the Board of Directors;

9.3.24. Approval of regulations on branches and representative offices of the Company;

9.3.25. Approval of the Company's dividend policy;

9.3.26. Approval of internal control system and procedures, and approval of management information system;

9.3.27. Appointment (dismissal) of Head of Control & Audit Department of the Company, determination of his/her remuneration amount;

9.3.28. Approval of requirements to nominees and appointment procedures for the Control & Audit Department of the Company;

9.3.29. Approval of Regulations on the Company's Control & Audit Department;

9.3.30. Identifying qualification requirements for nominees to the Management Board and General Director of the Company;

9.3.31. Appointment (dismissal) of the Corporate Secretary, and setting forth the terms of his/her employment agreement including remuneration package;

9.3.32. Approval of Regulations on the Secretariat of the Company;

9.3.33. Approval of transactions whose amount is 2 (two) or more per cent of the book value of the Company's assets determined based on the Company's accounting statements as at the end of the last reporting quarter preceding the date of transaction approval;

9.3.34. Identification of main risks related to Company operations and implementation of measures and procedures to manage such risks;

9.3.35. Approval of Public Relations and Investor Relations policies;

9.3.36. Supervision over the Company management, financial and economic activities of the Company, evaluation of performance by General Director and members of the Company Management Board; control of performance of resolutions adopted by the Board of Directors;

9.3.37. Making decisions on inviting independent observers to ensure compliance with the

vote-counting procedure at the Meeting of Shareholders;

9.3.38. Formation of Board Committees made up of the members of the Board of Directors;

9.3.39. Delegation of responsibilities to the members of the Management Board to manage certain business activities of the Company;

9.3.40. Election and dismissal of a deputy (deputies) to the Chairman of the Board of Directors;

9.3.41. Appointment and dismissal of the Secretary of the Board of Directors;

9.3.42. Determination of voting procedures at General Meetings of Shareholders (members) of other companies, whose shares or equity stakes are owned by the Company, as regards the issues of authorized capital changes, reorganization or dissolution of such companies;

9.3.43. Other issues as envisaged by the Federal Law and this Charter.

10. EXECUTIVE BODIES OF THE COMPANY

10.1. Day-to-day operational management of the Company is carried out by General Director (one-person executive body) and the Management Board (collegiate executive body). General Director of the Company (hereinafter – “General Director”) and the Management Board of the Company (hereinafter – “the Management Board”) must perform their duties in strict compliance with the Federal Law, other legislation and regulations of the Russian Federation, this Charter, internal regulations of the Company and employment agreements with General Director and members of the Management Board.

10.2. Rights and duties of General Director and members of the Management Board with regard to management of day-to-day operations of the Company are specified in the Federal Law, other legal acts of the Russian Federation, this Charter, internal corporate regulations and employment agreements between the Company and each of the officers mentioned above. The employment agreements are to be signed by the Chairman of the Board of Directors or another person authorized by the Board of Directors. The Board of Directors may also decide to arrange for civil liability insurance for General Director and members of the Management Board, and enter into agreements on indemnification of their losses caused by performing their duties.

10.3. General Director and members of the Management Board shall be elected for an indefinite term. The Board of Directors has the right to terminate the agreement with the General Director or any member of the Management Board at any time.

10.4. General Director acts on behalf of the Company without a Power of Attorney, represents its interests, enters into transactions on behalf of the Company, approves staff schedule, issues orders and gives instructions obligatory for all employees of the Company; approves internal corporate documents that regulate production & technological, financial, accounting, economic, staffing and social issues, as well as documents related to labor safety, security and records management; makes decisions concerning other aspects of the current operation of the Company unless this Charter require that such decisions should be made by the General Meeting of Shareholders, the Board of Directors or the Management Board.

10.5. General Director is Chairman of the Management Board.

10.6. With regard to the matters delegated to the authority of the Management Board, General Director shall act in accordance with resolutions of the Management Board.

10.7. The Management Board shall manage the Company’s operations within the scope of its authority as determined by this Charter, and ensure the implementation of resolutions adopted by the General Meeting of Shareholders and the Board of Directors.

10.8. Authority of the Management Board shall cover the following issues:

10.8.1. Preparation of amendments to the Company Charter for their further review by the Board of Directors;

10.8.2. Preparation and presentation of preliminary reports on financial and economic performance of the Company to the Board of Directors;

10.8.3. Preparation of recommendations on transactions which must be authorized by the Meeting of Shareholders or the Board of Directors;

10.8.4. Analysis and evaluation of the results of financial and economic activity of the Company, including the results of earlier approved plans and programs; review of reports and other information on performance of the Company, its subsidiaries, branches and representative offices;

10.8.5. Preparation of proposals on the use of the reserve fund of the Company;

10.8.6. Preliminary review of materials to be presented at the Board of Directors' meeting with regards to operational priorities of the Company, its development strategies and concepts and their implementation; approval of plans and budgets and any modifications thereto;

10.8.7. Appointment of executive officers who will manage operation of branches and representative offices of the Company;

10.8.8. Preliminary review of procedures for voting at General Meetings of Shareholders (members) of other companies where the Company has an interest share (share in the authorized capital), as envisaged by clause 9.3.42 of this Charter;

10.9. Exercising their rights and performing their duties, the General Director and members of the Management Board shall uphold the Company's interests, exercise their rights and perform their duties wisely and in good faith. They are liable to the Company for losses caused to the Company by their wrongful actions (inaction), unless other liability grounds are not provided for by federal laws. However, members of the Management Board who voted against the decision which resulted in losses for the Company or a shareholder, or members who abstained from voting on these issues, shall not be held liable. When determining the grounds for and the extent of liability, the terms of employment agreements (including indemnity agreements) and standard business practices must be taken into account along with other material circumstances.

10.10. General Director shall be responsible for organizing the work involving the use of information recognized as state secret, and for implementation of a system to protect such information; he shall arrange for proper keeping of documents containing employees' personal files and ensure that the Company and its employees duly perform their responsibilities arising under the Federal Law *On Defense*.

10.11. General Director and members of the Management Board shall disclose information on the Company securities they may hold, and on any acquisition or sale of the Company's registered securities, on a quarterly basis.

11. CORPORATE SECRETARY

11.1. The Corporate Secretary shall be elected by the Board of Directors for the one-year term. The Board of Directors may terminate the powers of the Corporate Secretary at any time.

11.2. Functions of the Corporate Secretary shall include the following:

- (1) Ensure that the Company's bodies and executive officers follow and comply with procedures that guarantee observance of the rights and interests of its shareholders;
- (2) Supervise preparation and holding of the Meeting of Shareholders in accordance with the Russian legislation in force, this Charter, and other internal regulations of the Company;

- (3) Provide assistance to members of the Board of Directors performing their functions on the Board;
- (4) Ensure the storage of the Company's statutory documents, protocols of Meetings of Shareholders and meetings of the Board of Directors, voting ballots, and powers of attorney (or their copies) for participation in Meetings of Shareholders;
- (5) Supervise the disclosure of information about the Company as requested by shareholders, federal executive body regulating the securities market, or other state authorities;
- (6) Supervises the work of the Company's Secretariat;
- (7) Review the requests of shareholders with regards to issues arising at the time of their registration at the General Meeting;
- (8) Certify excerpts from the resolutions of executive bodies of the Company, and copies of other documents.

12. CONTROL OF FINANCIAL AND BUSINESS OPERATIONS OF THE COMPANY

12.1. Control over financial and Business operations of the Company shall be performed by the Revision Commission.

12.2. The Revision Commission consisting of 5 (five) members shall be elected by the Meeting of Shareholders. The Commission shall operate under Regulations on the Revision Commission as approved by the Meeting of Shareholders.

Members of the Revision Commission cannot be members of the Board of Directors or hold any positions in the Company's managing bodies.

12.3. The Revision Commission shall review the results of the Company performance upon completion of each year or at any other time at the discretion of the Revision Commission, under the resolution of the General Meeting or the Board of Directors, or upon the request of shareholders owning at least 10 (ten) percent of voting shares of the Company.

12.4. At the request of the Revision Commission, members of the Company's managing bodies must provide documents on financial and business operations of the Company.

12.5. An external auditor shall examine financial and business activities of the Company in accordance with legal acts of the Russian Federation, on the basis of the contract made between the Company and the external auditor.

12.6. Having examined the results of financial and business operations, the Revision Commission and the external auditor shall prepare opinions containing information as specified by the Federal Law and other legal acts of the Russian Federation.

12.7. The Revision Commission and the external auditor are entitled to call an Extraordinary Meeting of Shareholders in accordance with the procedure set forth in the Federal Law.

13. ACCOUNTING AND REPORTING IN THE COMPANY

13.1. The Company shall keep accounting records and present financial reports as provided for by the Federal Law and other legal acts of the Russian Federation.

13.2. The Company shall keep its documents and provide to shareholders access to these documents as provided for by the Federal Law and other legal acts and regulations of the Russian Federation.

13.3. General Director of the Company shall be responsible for organization, status and reliability of accounting procedures established in the Company, and for timely submission of annual reports, financial statements and other information on the Company's performance to appropriate authorities, shareholders, creditors and mass media, as envisaged by the Federal Law, other legal acts and this Charter.

13.4. Members of the Board of Directors and executive bodies of the Company shall not disclose any confidential or insider information, except in cases when the disclosure of such information is required by applicable legislation of the Russian Federation, and they shall not use confidential or insider information for purposes not related to their professional activities. The insider information means herein any material information on the Company's operations, on its shares and other securities, and on transactions therewith, which is not publicly available and the disclosure of which may have a significant impact on the price of shares and other securities of the Company.

13.5. Members of the Board of Directors and other executive bodies of the Company shall be held liable for disclosure of confidential and insider information in accordance with applicable legislation of the Russian Federation.

13.6. The Annual Report of the Company is subject to prior approval by the Board of Directors not later than 30 days prior to the date of the Annual Meeting of Shareholders. The Annual Report must contain (inter alia) the list of shareholders owning five or more percent of voting shares of the Company, according to the shareholders' register, and a report of the Board of Directors.

13.7. The following documents shall be kept by the Company:

- (1) The corporate Charter as amended in accordance with the established amendments registration procedure; resolution on foundation of the Company and its state registration certificate;
- (2) Documents confirming the Company's rights to property recorded on its balance sheet;
- (3) Internal corporate documentation;
- (4) Regulations on branches and/or representative offices of the Company;
- (5) Annual reports;
- (6) Accounting records;
- (7) Accounting statements;
- (8) Protocols of Meeting of Shareholders, meetings of the Board of Directors, Revision Commission and Management Board;
- (9) Voting ballots and powers of attorneys (their copies) for participation in Meeting of Shareholders;
- (10) Reports of independent assessors;
- (11) Lists of affiliated entities;
- (12) List of persons eligible to participate in the Meeting of Shareholders and receive dividends, as well as other lists compiled by the Company in order to secure shareholders' rights in accordance with the requirements of the Federal Law;
- (13) Conclusions of the Revision Commission, The Auditor of the Company, state and municipal financial regulators;

- (14) Security Prospectuses, the Issuer's quarterly reports and other documents that contain information that needs to be disclosed through publishing or otherwise in accordance with the Federal Law and other federal laws;
- (15) Other documents specified in the Federal Law, Corporate Charter and internal documents of the Company, resolutions of the Meeting of Shareholders and the Board of Directors, and documents specified in the legal acts of the Russian Federation.

13.8. The Company shall make available to shareholders the documents outlined in clause 13.7 above, taking into account that the accounting records and protocols of the Management Board meetings may be made available only to shareholders (shareholder) owning at least 25 percent of voting shares of the Company.

13.9. The Company shall annually publish the following information in the mass media accessible by all shareholders:

- (1) Annual Report of the Company, its balance sheet and profit and loss account;
- (2) Security Prospectus in cases envisaged by the legal acts of the Russian Federation;
- (3) Notice of the Meeting of Shareholders shall be published in accordance with requirements of the Federal Law and this Charter;
- (4) Lists of the Company's affiliated entities, showing the number and category (type) of shares owned by these entities;
- (5) Other information that may be stipulated by the Russian legislation in force.

13.10. Affiliated entities of the Company must notify the Company in writing about any shares of the Company held by such entities, indicating the number and category (type) of such shares not later than 10 (ten) days from the date of their acquisition.

If the Company incurs property damage due to an affiliated entity's failure to submit or to untimely submission of the aforementioned information, such affiliated entity will be held liable to the Company for the amount of such damage.

14. CLOSING PROVISIONS

14.1. By the resolution of the Meeting of Shareholders, the Company may be reorganized in accordance with the procedure established by the legislation and regulations of the Russian Federation.

14.2. The Company may be dissolved in the following circumstances:

- voluntarily, under the resolution of the Meeting of Shareholders, in accordance with procedures set forth in the Civil Code of the Russian Federation and in conformity with the requirements of the Federal Law and this Charter;
- in accordance with a court order based on grounds specified in the Civil Code of the Russian Federation.

Dissolution of the Company shall result in its closure involving no assignment of rights and obligations to any successors.

14.3. General Director shall take necessary steps to ensure safe-keeping of such information and information carriers.