

APPROVED  
by OJSC “Uralsvyazinform”  
Extraordinary General Shareholders Meeting

Protocol №1 dd. December 17, 2002

Chairman of Meeting

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*As revised by the Annual General Meeting of  
OJSC “Uralsvyazinform” as of June 25, 2004  
and the Annual General Meeting of OJSC  
“Uralsvyazinform” as of June 23, 2005*

**CHARTER**  
**of Open Joint-Stock Company**  
**“URALSVYAZINFORM”**

Ekaterinburg 2005

Article 1  
**General Provisions**

- 1.1 Open joint-stock company “Uralsvyazinform” (hereinafter referred to as the “Company”) has been founded by the on State Property Committee, decision № 202-p dd. 28.04.94, pursuant to the Russian Federation President’s Decree #721, dd. July 1, 1992 “On Organizational Measures for transforming State Enterprises and Voluntary Associations of State Enterprises into Joint-Stock Companies” and pursuant to the Russian Federation Government’s Act № 1003 dd. December 22, 1992 “On privatization of communications companies”.
- 1.2 The Company is the assignee of the state communications and information enterprise “Rossvyazinform” of the Perm region with respect to its obligations concerning telecommunications, wired radio broadcasting, TV broadcasting and the property included into the Charter Capital.
- 1.3 Based on the decision approved by Uralsvyazinform’s General Shareholders Meeting held on September 27, 2001, the Company was reorganized by merging with open joint-stock company “Uraltelecom” of the Sverdlovsk region (OJSC “Uraltelecom” of the Sverdlovsk region), located at: 11 Moskovskaya str, entrance 4, Ekaterinburg, 620014, INN 6662024854; open joint-stock company “Electrosvyaz” of the Kurgan region (OJSC “Electrosvyaz” of the Kurgan region) located at: 44 Gogol str, Kurgan, 640000, INN 4501006321; open joint-stock company “Tyumentelecom” (OJSC “Tyumentelecom”) located at 56 Respublica str., Tyumen, 625000, INN 7202029076; open joint-stock telecommunications company of Khantyanskiy autonomous district (OJSC “Khantyanskiytelecom”), located at 3, Komintern str., Khantyanskiy, 628011, INN 8601001998; open joint-stock company “Svyazinform” of the Chelyabinsk region (OJSC “Chelyabinskvyazinform”) located at 161, Kirov str., Chelyabinsk, 454000, INN 743013360 and open joint-stock company “Yamalelectrosvyaz” (OJSC “Yamalelectrosvyaz”), located at: 2, Matrossov str., Salekhard 629008, INN 8900000150.

In accordance with:

- Transfer Act dd. September 26, 2001 and Merger Agreement signed between the Company and OJSC “Chelyabinskvyazinform” and approved by OJSC “Uralsvyazinform” General Shareholders Meeting on September 27, 2001 and OJSC “Chelyabinskvyazinform” General Shareholders Meeting on September 26, 2001,
- Transfer Act dd. September 25, 2001 and Merger Agreement signed between the Company and OJSC “Uraltelecom” of the Sverdlovsk region and approved by OJSC “Uralsvyazinform” General Shareholders Meeting on September 27, 2001 and OJSC “Uraltelecom” General Shareholders Meeting on September 25, 2001,
- Transfer Act dd. September 25, 2001 and Merger Agreement signed between the Company and OJSC “Tyumentelecom” and approved by OJSC “Uralsvyazinform” General Shareholders Meeting on September 27, 2001 and OJSC “Tyumentelecom” General Shareholders Meeting on September 25, 2001,
- Transfer Act dd. September 24, 2001 and Merger Agreement signed between the Company and OJSC “Electrosvyaz” of the Kurgan region and approved by OJSC “Uralsvyazinform” General Shareholders Meeting on September 27, 2001 and OJSC “Electrosvyaz” General Shareholders Meeting on September 24, 2001,
- Transfer Act dd. September 27, 2001 and Merger Agreement signed between the Company and OJSC “Yamalelectrosvyaz” and approved by OJSC “Uralsvyazinform” General Shareholders Meeting on September 27, 2001 and OJSC “Yamalelectrosvyaz” General Shareholders Meeting on September 27, 2001,
- Transfer Act dd. October 12, 2001 and Merger Agreement signed between the Company and OJSC “Khantyanskiytelecom” and approved by OJSC “Uralsvyazinform”

General Shareholders Meeting on September 27, 2001 and OJSC “Khanty Mansiysk okrtelecom” General Shareholders Meeting on October 12, 2001.

The Company is the assignee of all rights and obligations of OJSC “Chelyabinskvyazinform”, OJSC “Uraltelecom” of the Sverdlovsk region, OJSC “Tyumentelecom”, OJSC “Electrosvyaz” of the Kurgan region, OJSC “Yamalelectrosvyaz” and OJSC “Khanty Mansiysk okrtelecom” under all their obligations towards all their creditors and debtors including contested ones.

Termination of OJSC “Chelyabinskvyazinform” was registered on September 30, 2002 by Chelyabinsk Central District Inspectorate of the Ministry for Taxes and Levies by merging it with JSC “Uralsvyazinform”, termination of OJSC “Uraltelecom” of the Sverdlovsk region was registered on September 30, 2002 by Ekaterinburg Verkh-Isetsy District Inspectorate of the the Ministry for Taxes and Levies by merging it with JSC “Uralsvyazinform”, termination of OJSC “Tyumentelecom” was registered on September 30, 2002 by Inspectorate №3 of the the Ministry for Taxes and Levies by merging it with JSC “Uralsvyazinform”, termination of OJSC “Electrosvyaz” of the Kurgan region was registered on September 30, 2002 by Kurgan Inspectorate of the the Ministry for Taxes and Levies by merging it with JSC “Uralsvyazinform”, termination of OJSC “Yamalelectrosvyaz” was registered on September 30, 2002 by Yamalo-Nenetsky Autonomous District Inspectorate of the the Ministry for Taxes and Levies by merging it with JSC “Uralsvyazinform”, termination of OJSC “Khanty Mansiysk okrtelecom” was registered on September 30, 2002 by Khanty Mansiysk inter-regional Inspectorate № 1 of the the Ministry for Taxes and Levies by merging it with JSC “Uralsvyazinform”.

1.4 Following the decision of the extraordinary general meeting of shareholders of OJSC “Uralsvyazinform” dated March 31, 2005 the Company is reorganized in the form of merger of ZAO “Ermak RMS” located 17, Doronin St., Khanty-Mansiysk, Khanty-Mansi AD, Tyumen region, 628007, INN 8602048237, OGRN 1028600508375; OOO “Yuzno-Ural'ski Sotovy Telefon” (OOO “South Urals Cellular Phone”, short name “UST”) located 161, Kirov St., Chelyabinsk, 454899, INN 7453028663, OGRN 1027403883550; OOO “Tyumenruscom” located 5, Sakko St., Tyumen, 625002, INN 7202127757, OGRN 1047200613470; OOO “Uralcom”, located 2, Krupskaya St., Perm, 614060, INN 5906011314, OGRN 1025901364136; and ZAO “VSNET”, located 6, Kukuyevitsky St., 628005, Surgut, Tyumen region, INN 8602047949, OGRN 1028600582350 with and into OJSC “Uralsvyazinform”.

In accordance with:

- Transfer Act dated February 11, 2005, approved by the extraordinary general meeting of ZAO “Ermak RMS” as of February 11, 2005.
- Transfer Act dated February 11, 2005, approved by the extraordinary general meeting of OOO “UST” as of February 11, 2005.
- Transfer Act dated February 11, 2005, approved by the extraordinary general meeting of OOO “Tyumenruscom” as of February 11, 2005.
- Transfer Act dated February 11, 2005, approved by the extraordinary general meeting of OOO “Uralcom” as of February 11, 2005.
- Transfer Act dated February 11, 2005, approved by the extraordinary general meeting of ZAO “VSNET” as of February 11, 2005.

The Company is the full legal successor in connection with the rights and obligations of ZAO “Ermak RMS”, OOO “UST”, OOO “Tyumenruscom”, OOO “Uralcom”, ZAO “VSNET” for each and every liability in relation to creditors and debtors thereof, including contested liabilities.

## Article 2

**Company Name and Location**

- 2.1 Full Company name in Russian is открытое акционерное общество “Уралсвязьинформ”.
- 2.2 Abbreviated Company name in Russian is ОАО “Уралсвязьинформ”.
- 2.3 Full company name in English is Open Joint-Stock Company “Uralsvyazinform”.
- 2.4 Abbreviated Company name in English is OJSC “Uralsvyazinform”.
- 2.5 The Company location – Russian Federation, 620014, Ekabinburg, Moskovskaya Str., 11
- 2.6 Postal address - Russian Federation, 620014, Ekabinburg, Moskovskaya Str., 11.

## Article 3

**Company Legal Status**

3.1 The Company is a commercial organization, which Charter Capital is split into shares certifying Company members' laws of obligation towards the Company. “Uralsvyazinform” is an open joint-stock company. Its period of activity is unlimited.

The Company legal status, the procedures of its activities, reorganization and liquidation as well as the powers and duties of its shareholders are determined by the Civil Code of the Russian Federation, Federal Law “ On Joint-stock Companies” other Federal laws and legal acts of the Russian Federation adopted by the relevant state bodies within their power, and by this Charter.

In case the current law regulations of the Russian Federation change this Charter is valid in the part not contradicting to their imperative norms.

Concerning the matters not specified in this Charter the Company shall keep to the current RF legislation and to other legal acts adopted within the power of the relevant state bodies.

3.2 The Company is a legal entity and owns solitary property stocked at its independent balance, it may acquire on its behalf property and personal non-property rights, sue and be sued in courts.

The Company shall have a round seal, inscribed with its full name in Russian and address, as well as other seals with inscriptions specified in accordance with established procedure, stamps and letter-heads with the Company name, its own emblem, trade mark, registered in accordance with established procedure, and other means of visual identification.

The Company branches and other operating entities are allowed to have round seal, inscribed with full names in Russian of: the Company, the corresponding branch or operating entity and place of the Company's registration, as well as other seals with inscriptions specified in accordance with established procedure, stamps and letter-heads performed in identical corporate style. The information of round seal's availability shall be included into Regulations on the Company's corresponding branch or its operating entity.

The Company is entitled, in accordance with established procedure, to open bank accounts on the territory of the Russian Federation and abroad.

3.3 The Company shall bear responsibility under its obligations within the bounds of the owned property towards which as per the RF legislation the claim may be made. The shareholders shall not make any commitments under the Company obligations and bear risk of loss connected with the Company activities within the cost of the shares they own. Shareholders who did not pay the shares in full shall bear joint responsibility under the Company obligations within the limits of unpaid part of their share cost.

3.4 The Company shall not bear any responsibility under obligations of the Government, its bodies or its shareholders, as well as the Government, its bodies and shareholders shall not bear any responsibilities under the Company obligations.

3.5. For state, social, economic and tax policy implementation the Company shall bear responsibility for the documents safety (those concerning management, finance, economic

activities, personnel and other), ensure handing over the documents of scientific and historical importance for public safe-keeping, keep and use, in accordance with established procedure, the documents concerning the Company staff and personal data the Company's employees.

#### Article 4 Company Objectives and Activities

- 4.1 The Company objective is profit earning.
- 4.2. Main Company activities are
  - 4.2.1. Development and operation of electric communications;
  - 4.2.2. Local and intrazone services;
  - 4.2.3. Local, domestic and international long-distance communications services via payphones and public call offices;
  - 4.2.4. Provision of domestic and international long-distance communications services;
  - 4.2.5. Provision of mobile communications services (GSM-900/1800, NMT-450, AMPS/D-AMPS, IMT-MC-450 and other licensed standards);
  - 4.2.6. Provision of mobile radio communications services ("Altai" type);
  - 4.2.7. Provision of trunking communications services;
  - 4.2.8. Provision of paging services, including with comining of channels;
  - 4.2.9. Provision of channels leasing services including data channels, TV, radio, local intrazone channels, satellite transmission systems, physical lines;
  - 4.2.10. Provision of Intelligent Network services;
  - 4.2.11. Provision of telematics services (including e-mail services, access to information resources, directory services, Telefax services, Comfax services, BureauFax services , message handling services, voice message services, audioconferece and videoconference services);
  - 4.2.12. Provision of data transmission services, including packet switched transmission (GPRS, EDGE and others);
  - 4.2.13. Provision of telegraph services (including "Telegramma" services and AT/Telex network services);
  - 4.2.14. Provision of cable TV services (cable and MMDS networks)
  - 4.2.15. Provision of wired radio broadcasting services
  - 4.2.16. 17 provision of air TV, radio programs and additional information;
  - 4.2.17. Provision of TV-broadcasting services using transmission devices (MMDS);
  - 4.2.18. Provision of TV- and radio broadcasting services
  - 4.2.19. Provision of local telephony services using radio access devices (CDMA, TDMA, DECT etc);
  - 4.2.20. Provision of wireless radio access;
  - 4.2.21. Provision of mobile services;
  - 4.2.22. Provision of wireless broadband services;
  - 4.2.23. organization of satellite communications;
  - 4.2.24. Development and operation on trunk, zonal, and local networks, and implementation of telecommunications network to provide for data transmission of various types (voice, fax, telegraph and other);
  - 4.2.25. Holding activities related to State secret security;
  - 4.2.26. Holding activities and/or providing services in the sphere of State secret security;
  - 4.2.27. Holding activities and/or providing services in the sphere of State secret security related to cryptographic board operation;
  - 4.2.28. Holding activities and/or providing services in the sphere of State secret security related to technical security;

- 4.2.29. Arrangement and execution of works aimed at the security of communications secret and other secret protected by law;
- 4.2.30. Holding activities in the sphere of technical security of confidential information;
- 4.2.31. Holding activities in distribution of cryptographic solutions;
- 4.2.32. Technical service of cryptographic devices;
- 4.2.33. Provision of cryptographic services;
- 4.2.34. Holding activities in providing key certificates of electronic signatures, registration of electronic signature holders, services in connection with usage of electronic signatures, and validation of electronic signatures;
- 4.2.35. Designing buildings and constructions of 1 and 2 levels of complexity
- 4.2.36. Designing buildings and constructions considering special issues: organization of construction works, project valuation, investment efficiency
- 4.2.37. Engineering research for buildings and constructions of 1 and 2 levels of complexity;
- 4.2.38. Design and approval of project documentation for construction objects, capital repair, and reconstruction of telecommunications facilities;
- 4.2.39. Expertise of pre-project and project documentation;
- 4.2.40. Constructing, complete overhaul, reconstruction, extension, and technical re-equipment of communications installations;
- 4.2.41. Development, building, capital repairs, reconstruction, technical modernization and operation of civil constructions and social establishments;
- 4.2.42. Research and development in the sphere of telecommunications;
- 4.2.43. Production and start-and-adjustment works on pilot and serial runs of communications equipment;
- 4.2.44. Holding tests and measurements, including for certification, of telecommunications equipment, energy installations and constructions, their parts and components as part of assembly, adjustment, operation and repair works;
- 4.2.45. Metrological services;
- 4.2.46. Geodesic and cartographic activities;
- 4.2.47. Training, advanced training of engineers and technical specialists, operating personnel and managers;
- 4.2.48. Maintenance, repair and sale of cash machines;
- 4.2.49. Maintenance, repair and sale of communications devices, including subscriber devices;
- 4.2.50. Installation, repair and maintenance of intruder and fire alarm systems, access control and management systems;
- 4.2.51. Recovery of networks and communications devices after alarms and failures;
- 4.2.52. High-priority provision of telecommunications services and devices for defense, public administration, security and law-and-order assurance;
- 4.2.53. Provision of communications facilities in emergency situations;
- 4.2.54. Implementation of mobilization plans of network communications facilities preparation in the emergency situations in accordance with the established procedure
- 4.2.55. Provision of consultation services;
- 4.2.56. Commercial and sales activities, intermediary services;
- 4.2.57. International relation business activities;
- 4.2.58. Polygraph activities, letterhead production, reference books, information bulletins, other polygraph and fake-proof produce;
- 4.2.59. Advertising in all media in the Russian Federation and abroad, including foreign states;
- 4.2.60. Organization and participation in trade fairs, auctions in compliance with legislation;
- 4.2.61. Operation, maintenance and repair of transport vehicles;
- 4.2.62. Transportation and forwarding services
- 4.2.63. Transportation of goods and passengers using automobile transport;
- 4.2.64. Operation of fuel stations;
- 4.2.65. Storage and sale of oil, gas and refinery products;

4.3 Provision of communications services by the Company is performed under tariffs set by the Company itself except the cases provided for by the RF legislation.

4.4 Having legal capacity the Company obtains civil rights and duties necessary to fulfil any other activities not prohibited by the Federal laws.

However, to perform some activities specified by the Federal laws the Company shall obtain special permits (licenses).

## Article 5

### **Company Branches and Representative Offices**

5.1. In accordance with the established procedure the Company is entitled to establish its branches and open representative offices both on the territory of the Russian Federation and abroad. Company branches and representative offices are not legal entities.

5.2. The Company has the following branches:

5.2.1. Ekaterinburg telecommunications branch of OJSC "Uralsvyazinform" is located at 620110, Ekaterinburg, Lunacharskogo St., 134-b.

5.2.2. Kurgan telecommunications branch of OJSC "Uralsvyazinform", located at: 640000 Kurgan, Gogol str., 44.

5.2.3. Perm telecommunications branch of OJSC "Uralsvyazinform", located at: 614096, Perm, Lenin, 68.

5.2.4. Tyumen telecommunications branch of OJSC "Uralsvyazinform", located at: 625000 Tyumen, Respublica str., 40, building 1.

5.2.5. Khantyanskiy telecommunications branch of OJSC "Uralsvyazinform", located at: 628011 Khantyanskiy, Komintern str., 3.

5.2.6. Chelyabinsk telecommunications branch of OJSC "Uralsvyazinform", located at: 454000 Chelyabinsk, Kirov str., 161.

5.2.7. Yamalo-Nenetsky telecommunications branch of OJSC "Uralsvyazinform", located at: 629008 r. Salekhard, Matrossov str, 2.

5.2.8. Inter-Regional Branch for Mobile Communications, located at: 614002 Perm, Ostrovsky str., 99.

5.2.9. Inter-Regional Branch for Data and Information Technologies, located at: 620144, Ekaterinburg, Frunze str., 96.

5.3. The Company has its representative office in Moscow located at: 109004 Moscow, Nikoloyamskaya str., 48, build. 2.

5.4. Company Branches and representative offices shall act pursuant to the related Regulations approved by the Board of Directors.

Branches and offices' managers shall be appointed and dismissed by the General Director under tentative agreement with the Company's Board of Directors and shall act on behalf of the Company based on the Power of Attorney.

The Management Board may approve an establishment of a branch collegiate executive body organizing the fulfillment of the Company's boards decisions and acting on the basis of the Regulations approved by the Company's Management Board.

## Article 6

### **Company Charter Capital. Placed and Authorized Shares**

6.1. The Company Charter Capital is 4 816 166 796, 72 rubles.

6.2. The Company Charter Capital consists of par value of shares issued in non-documentary form and bought by shareholders, including:

6.2.1. **32 298 782 020** common registered shares. Each common share par value is 0,12 rubles.

6.2.2. **7 835 941 286** preferred registered shares. Each preferred share par value is 0,12 rubles.

6.3. The Company is entitled to place 11 445 155 709 common registered non-documentary shares additionally to the already placed common shares (authorized shares). Each common authorized share par value is 0,12 rubles.

The Company is entitled to place 7 164 058 714 preferred non-documentary shares additionally to the already placed preferred shares (authorized shares). Each preferred authorized share par value is 0,12 rubles.

6.4. Authorized shares provided for in Article 6.3 hereof if they are placed shall have all the rights set forth in Articles 7 and 8 hereof for the Company shares of the respective category (type).

6.5. The Company Charter Capital can be increased as per procedure provided for by the RF current legislation and this Charter, as follows:

6.5.1. by raising the Company share par value;

6.5.2. by placement of additional shares within the amount of authorized shares set forth in Article 6.3 hereof.

6.6. Increasing the Company Charter Capital by raising of share's par value shall be done based on the decision of the General Shareholders Meeting, approved by a majority vote of the Company voting shares holders participating in the Meeting.

6.7. Increasing the Company Charter Capital by placement of additional shares via closed subscription shall be done based on the decision of the General Shareholders Meeting being approved by at least three quarters of votes belonging to the shareholders –holders of the Company's voting shares, participating in the Meeting.

6.8. Increasing the Company Charter Capital by placement of additional common shares via open subscription in case the amount of additionally placed shares via open subscription is more than 25 per cent of earlier placed Company common shares, shall be done based on the decision of the General Shareholders Meeting being approved by at least three quarters of votes belonging to the shareholders –holders of the Company's voting shares, participating in the Meeting

6.9. . Increasing the Company Charter Capital by placement of additional shares via open subscription except cases specified in Articles.6.7 and 6.8 hereof, shall be done based on the Company Board of Directors' decision, approved unanimously by all the members of the Company's Board of Directors, not taking into account the votes of the Company retired directors.

6.10. Payment of additional shares to be placed via subscription can be effected in cash, securities, by other things or rights of property, or other rights having pecuniary valuation. The way of additional shares payment shall be determined by decision on their placement.

6.11. The Company Charter Capital can be reduced by share's par value cutting or reduction of their total amount, including acquisition of their parts in cases provided for the Federal Law "On Joint-Stock Companies".

6.12. The decision to reduce the Company Charter Capital via decreasing shares' par value or via acquisition of their parts in order to reduce their total amount shall be adopted at the General Shareholders Meeting by a majority of vote of shareholders owning Company voting shares participating in the Meeting.

6.13. The Company shall not reduce its Charter Capital if as a result of such reduction its amount would become less than thousandfold minimal wages fixed by the Federal law as of the date of documents submission for state registration of respective amendments introduced into the Company Charter, and in case the Company, pursuant to the requirements of the RF current legislation, must reduce its Charter Capital – as of the date of the Company state registration.



6.14. If by the end of the second and each following fiscal year in accordance with annual balance sheet, proposed for the approval by the Company shareholders, or the auditing results the net assets value is less than its Charter Capital, the Company must reduce its Charter Capital to the amount not exceeding its net assets.

## Article 7

### **Rights and Duties of the Shareholders Owning Company Common Shares**

7.1. Each Company common share provides to its holder the same rights.

7.2. Each shareholder owning Company common shares has the following rights:

7.2.1. to participate in the General Shareholders Meeting according to the procedure provided by the Russian Federation legislation in force;

7.2.2. to receive dividends according to the procedure provided by the Russian Federation legislation in force and this Charter, in case they are authorized by the Company;

7.2.3. to receive a part of the Company property, remained after its liquidation, pro rata his/her shares;

7.2.4. to receive access to the documents set forth in Article 89.1 of the Federal law "On joint-stock companies", according to the procedure set forth in Article 91 thereof;

7.2.5. to request from the registrar the confirmation of his/her shareholder's ownership rights by receiving an extract from the Company Shareholders Register;

7.2.6. to receive from the Company registrar an information on all the records at his/her personal account as well as any other information provided for by the legal acts of the Russian Federation, establishing the procedure of Shareholders register keeping;

7.2.7. to dispose his/her shares without any consent of other shareholders and the Company;

7.2.8. to defend in courts his/her violated civil rights including the demand to the Company for compensation of damages, in cases provided for by the Russian Federation legislation in force;

7.2.9. to demand the redemption of all his/her shares or their part from the Company in cases and according to procedure provided for by the Russian Federation legislation in force;

7.2.10. to sell his/her shares to the Company in case the Company has decided to buy these shares;

7.2.11. to demand from the Company an extract from the list of persons entitled to participate in the General Shareholders Meeting, containing information on the shareholder;

7.2.12. to have preemption right to buy additionally placed via open subscription shares and issued securities, swapped into shares, in the amount pro rata to his/her owned shares.

7.3. A shareholder owning more than 1 per cent of the Company voting shares, has the right to request from the Company registrar an information on names of shareholders registered in the Shareholders Register and on the amount, category and par value of the shares they own (This information is submitted without naming their address).

7.4. Shareholders (shareholder), owning at least 1 per cent of the Company placed common shares have the right to bring suit into the court against a member of the Company Board of Directors, against the Company sole executive body, against a member of the Company collegiate executive body, as well as against a controlling organization or a director to compensate damages caused to the Company as a result of guilty activities (inactivity) of the above-mentioned persons.

7.5. Shareholders owning at least 1 per cent of votes at the General Shareholders Meeting shall have the right to request from the Company the list of persons entitled to participate in the meeting. In this case the information containing shareholders' documents data and their addresses shall be disclosed only with their consent.

7.6. Shareholders (a shareholder) owning in aggregate at least 2 per cent of the Company voting shares shall have the right to put items into the AGM agenda and nominate candidates to the Company managing and auditing boards to be elected by the General Shareholders Meeting. When preparing an Extraordinary Shareholders Meeting having on its agenda the election of the Company Board of Directors, the above-mentioned shareholders (shareholder) shall have the right to propose candidates for election into the Company Board of Directors.

7.7. Shareholders (a shareholder) owning in aggregate at least 10 per cent of the Company voting shares shall have the right to demand from the Company Board of Directors to convene an Extraordinary the General Shareholders Meeting. If within the period set forth by the Russian Federation legislation in force and by this Charter the Company Board of Directors does not take the decision to convene an Extraordinary the General Shareholders Meeting or it takes the decision not to convene it, an Extraordinary the General Shareholders Meeting can be convened by the above-mentioned shareholders.

7.8. Shareholders (a shareholder) owning in aggregate at least 10 per cent of the Company voting shares shall have the right at any time to demand the auditing of financial and economic activities of the Company.

7.9. Shareholders (a shareholder) owning in aggregate at least 25 per cent of the Company voting shares shall have the right to access and receive copies of accounting reports and minutes of the Company collegiate executive body meetings.

7.10. Shareholders owning Company common shares shall have some other rights provided for by the current legislation of the Russian Federation as well as by this Charter.

7.11. Each shareholder owning the Company common shares must:

- inform the Company register-holder on any changes in his personal data;
- not disclose confidential information about the Company activities.

7.12. In case a Company shareholder is going to acquire himself or together with his affiliated person (persons) 30 and more per cent of the Company placed common shares, this shareholder shall send to the Company, not earlier than 90 days prior and not later than 30 days before the acquisition date, a written notice informing about his intention to buy the above-mentioned shares. After finalizing the deal(s) on shares acquisition the above shareholder shall within 30 days from the acquisition date propose to the Company shareholders to sell him/her belonging to them Company common shares and issued securities swapped into common shares at the market price and, but not lower than their weighted average price for six months preceding the acquisition date.

## Article 8

### **Rights and Duties of the Shareholders Owning Company Preferred shares**

8.1. Each Company preferred share provides to its holder the same rights.

8.2. Shareholders owning preferred shares shall have the right to receive annual fixed dividends, except cases provided for by this Charter. Total amount of dividends on each preferred share shall be at the rate of 10 percent of the Company net profit of the last fiscal year divided by total number of preferred shares placed. In case the amount of dividends payable by the Company on each common share in a given year exceeds the amount payable as dividends on each preferred share, the amount payable on the latter shall be increased up to the dividend amount payable on the common share.

8.3. The shareholders owning preferred shares shall have the right to participate in the General Shareholders Meeting having the constituent power when voting the issues of reorganization and liquidation of the Company as well as when amending and editing the Company Charter if such amendments limit the right of the above-mentioned shareholders.

8.4. The shareholders of preferred shares shall have the right to participate in the General Shareholders Meeting having constituent power to vote all the agenda items when the General Shareholders Meeting has not approved, irrespective of the reasons, the decision to pay dividends or has taken the decision to pay the partial dividends on preferred shares. The shareholders of preferred shares shall accrue this power beginning from the meeting which follows the AGM where the decision to pay dividends has not been taken and shall be terminated at the date of the first full dividend pay-out on the preferred shares.

8.5. Preferred shares holders shall have the rights provided for by Articles 7.2.3, 7.2.4, 7.2.5, 7.2.6, 7.2.7, 7.2.8, 7.2.10, 7.2.11, and 7.2.12 hereof for the Company common shares holders. These rights are provided to the holders of the preferred shares including cases when these shares are not voting ones.

8.6. Preferred shares holders shall have the rights provided for by Articles 7.3, 7.6, 7.7, 7.8 and 7.9 hereof in case the preferred shares have the constituent power on all the items being in competence of the Company General Shareholders Meeting.

8.7. The preferred shares holders shall have the right to demand from the Company the redemption of all his/her shares or their part in cases and according to procedure provided for by the Russian Federation legislation in force ;

8.8. The preferred shares holders owning at least 1 per cent of votes at the General Shareholders Meeting shall have the right to request from the Company the list of persons entitled to participate in the meeting. In this case the information containing shareholders' documents data and their addresses shall be disclosed only with their consent.

8.9. Shareholders of the Company preferred shares shall have some other rights provided for by the Russian Federation legislation in force as well as by this Charter.

8.10. Each shareholder of the Company preferred shares must:

- inform the Company register-holder on any changes in his personal data;
- not disclose confidential information about the Company activities.

## Article 9

### **Company Funds**

9.1. The Company shall have a reserve fund constituting 5 per cent of the Company Charter Capital.

The Company reserve fund is made of compulsory annual allocations of at least 5 per cent of the Company net profit reaching the reserve fund amount set forth in this Article.

The reserve fund is aimed at covering the Company losses, paying off Company bonds and redemption of stock in case the lack of other funds.

The reserve fund cannot be used for other purposes.

9.2. The Company General Shareholders Meeting may take a decision on the item provided for by Article 12.2.13 hereof to establish some other funds including Employees Stock Fund.

The Employees Stock Fund shall be used solely to purchase Company shares sold by the Company shareholders for their further placement at its employees.

In case of compensated placement of Company shares, acquired at the cost of Employees Stock Fund the received proceeds shall be allocated to the above-mentioned fund.

The procedure of the fund foundation, its outlay and its objectives are specified by the Regulations on Employees Stock Fund to be approved by the Company Board of Directors.

## Article 10

**Company Dividends**

10.1. Once a year the Company shall have the right to take a decision (to declare) on the dividends' payment on the placed shares.

Dividends shall be paid out of the Company net profit stated in the Company Profit and Loss Account of the Company's year performance. Dividends on preferred shares may be paid out of specially assigned Company funds.

In case the Company reorganization by merger with other companies the Company net profit shall be qualified by summation its net profit with net profits (losses) of merging companies calculated in accordance with accounting standards in the Profit and Loss Accounts of the merging companies as of the last reporting date (reorganization date).

The decision to pay annual dividends, their amount and the way of payment on shares of all categories (types) shall be approved by the General Shareholders Meeting. The amount of annual dividends shall not exceed the one recommended by the Company's Board of Directors.

In order to pay out dividends the Company shall make up a list of persons entitled to receive annual dividends. This list shall be compiled based on the register data as of the date of making up the list of persons entitled to participate in AGM.

10.2. Dividends on preferred shares shall be paid within the term fixed by the AGM's decision on the payment of the Company annual dividends. The said term shall be not later than 60 days from the date of decision on the payment of the Company annual dividends. In case the AGM does not fix the term of dividends on preferred shares payment, these dividends shall be paid not later than 60 days from the date of decision on the payment of the Company annual dividends.

The amount of dividends on preferred shares is determined by Article 8.2. hereof.

10.3. Dividends on common shares shall be paid within the term fixed by the AGM's decision on the payment of the Company annual dividends. The said term shall be not later than the end of the fiscal year when the decision on dividend pay-out was adopted. In case the AGM does not fix the term of dividends on common shares payment, these dividends shall be paid not later than on December 31 of the fiscal year when the decision on dividend pay-out was adopted.

10.4. Declared by the Company dividends shall be paid in cash.

10.5. When taking the decision (declaring) on dividend pay-out the Company shall be guided by the restrictions set forth by the Federal laws.

## Article 11

**Company Shareholders' Register. Company Registrar**

11.1. The Company shall ensure the keeping and saving the Company Shareholders' Register pursuant to requirements set forth by the Russian Federation legislation in force and other legal acts of the Russian Federation.

11.2. The holder of the Company Shareholders' Register shall be a special registrar exclusively keeping the shareholders' register and having a due license to run this kind of activities.

Approval of the Company Shareholders' Registrar and Contract general terms and conditions to be signed with the said registrar as well as the termination of such a Contract shall be executed based on the decision of the Company's Board of Directors.

11.3. The Company shall not be free from responsibility to keep and save Company Shareholders' Register. If illegal registrar's actions violate any shareholder's or nominee's civil rights, this shareholder or nominee shall have a right to apply to court according to the procedure

established the Russian Federation legislation in force demanding to recover his/her violated civil rights including compensation for losses.

11.4. The Company registrar shall fulfill the Company Calculation Committee's functions. In this case the registrar shall check the powers and register persons participating at the Company's General Shareholders Meeting, determine AGM's quorum, clarify the matters related to shareholders' (their representatives') realization their right to vote at the General Shareholders Meeting, explain the voting procedure for the items to be voted, ensure the established voting procedure and the shareholders' right to participate in voting, calculate votes and sum up the voting results, make up the protocol on the results of voting and hand over the Resolutions to records.

## Article 12

### **General Shareholders Meeting**

12.1. The supreme Company body is the General Shareholders Meeting.

12.2. The aspects listed below are the competence of the General Meeting, and cannot be resigned to the Board of Directors, General Director or Managing Board of the Company

1) amending and editing the Company Charter or approval of re-editions of the Company Charter with an exception of cases stated in the Federal Law "On Joint Stock Companies", provided such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;;

2) Reorganization of the Company, provided such decisions are being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

3) Liquidation of the Company, appointment of the liquidation commission and approval of intermediate and final liquidation balance sheet, provided such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

4) Election of Board of Directors members, effected by the means of cumulative votes;

5) Pre-term termination of powers of Board of Directors members, provided such decisions being approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

6) Definition of number, nominal value, category (type), of authorized shares of the Company, as well as rights, provided by these shares, provided such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

7) Increase of the Company charter capital by raising share par value provided such decisions being approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

8) Increase of the Company charter capital by placing additional issues of shares via open subscription provided the number of such shares placed exceeds 25 per cent of outstanding common stock of the Company, such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

9) Increase of the Company charter capital by placing additional issues of shares via close subscription, such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

- 10) Decrease the Company charter capital by means of reduction of nominal value of shares, purchase of a part of shares in order to decrease their overall number and redemption of shares acquired or repurchased by the Company provided that such decisions are approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 11) Election of the Company auditing committee and pre-term termination of its powers, provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 12) Approval of the Company auditors, provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 13) Approval of annual reports, Company's annual accounting including profit and loss statement, along with allocation of profits, incl. dividend pay-out (declaration), and Company loss, in compliance with results of a given fiscal year, provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 14) Establishing the procedure of Annual General Meetings provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 15) Splitting and consolidation of shares provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 16) Entering into deals with conflict of interests, such decisions to be taken in cases thereunder and in compliance with Article 11 of Federal law "On Joint-Stock Companies";
- 17) Entering into major deals connected with both explicit or implicit acquisition and alienation or possible alienation of assets, the price of which exceeds 50 per cent of the book value of Company assets according to the accounting as of the last reporting date, with an exception of transactions being made within regular economic activities of the Company, transactions concerning subscription-based placement (realization) of common shares, and transactions connected with placement of stock swapped into common shares of the Company provided that such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 18) Participation in holding companies, financial and industrial groups, associations and other commercial organizations provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 19) Approval of internal documents, regulating activities of Company bodies provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 20) Placement of corporate bonds, swapped into shares, and placement of other securities, swapped into shares, provided the bonds (other securities) are placed through the closed subscription scheme, or if open subscription, the convertible bonds may be swapped into common shares of the Company, exceeding 25% of shares earlier placed, provided that such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;
- 21) Decision that expenses for preparation and holding the Extraordinary General Meeting should be borne by the Company provided the EGM has been convoked in defiance of requirements of the Russian Federation legislation in force, i.e. not based on a decision of the Board of Directors, but by other persons, provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in

the AGM;

22) Exemption of a person from duty to buy other shareholders' shares, in case the said person, either on his/her own, or jointly with his/her affiliates, purchased 30% or more of outstanding shares of the Company. The decision shall be approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM, except for the voting shares, belonging to the said person and his/her affiliates;

23) Devolution of powers from the sole executive body of the Company to the controlling organization, or managing director provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

24) Other issues provided for by the Federal Law "On Joint-Stock Companies" and this Charter.

12.3. The Annual General Meeting is solely entitled to make decisions concerning the issues, provided in Items 2, 7, 8, 9, 15-19, 23 of Article 12.2 of the present Company Charter upon the recommendation of the Board of Directors. At this rate, the persons that are authorized to introduce items to the agenda of the AGM or EGM in compliance with the Russian Federation legislation in force are not entitled to require introduction of the listed issues with the Board of Directors.

The AGM does not have a right to consider or take any decisions on issues that are not part of its terms of reference pursuant to the Federal Law "On Joint-Stock Companies".

The AGM is not entitled to take decisions on items that are not included in the agenda, as well as change the agenda.

12.4. When considered at the AGM, amendments and additions to the present Charter that would restrict shareholders' rights, i.e. rights of owners of Company preferred shares of a certain type, shall be considered adopted provided that such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of preferred shares of the Company, participating in the AGM;

12.5. The Company is to hold AGMs annually.

Annual General Meeting shall be held at least four months after the end of fiscal year but no later than six months after the end of fiscal year.

The Annual General Shareholders Meeting shall look into issues concerning

- election of the Board of Directors,
- election of auditing commission,
- approval of Company auditors,
- approval of Annual Company Reports, annual accountancy, incl. Profit & Loss statements, and distribution of profit, including dividend pay-out (declaration), and losses according to the results of a fiscal year,

and other issues being the competence of Annual General Meeting.

12.6. Shareholders (a shareholder), owning in aggregate at least 2 per cent of voting shares shall have a right to introduce items in AGM's agenda and to nominate candidates to the Company's Board of Directors and Auditing Commission the number of which shall not exceed the number of relevant body stated herein. Such proposals shall enter the Company not later than 45 days after the end of a fiscal year.

12.7. Other than Annual General Shareholders Meetings shall be considered as Extraordinary ones.

An Extraordinary General Shareholders Meeting (EGM) shall be held on the Board of Directors' decision based on its own initiative, on the Company Auditing Commission request, Company's auditors and shareholders' (a shareholder), owning at least 10 per cent of Company voting shares as of the date of request. The convocation of EGM on the request of the

Company's Auditing Commission, Company's auditors or shareholders owning at least 10 per cent of Company voting shares shall be executed by the Company Board of Directors.

12.8. The EGM convened at the Company's Auditing Commission request, Auditors' request or at the request of shareholders (a shareholder) owning at least 10 per cent of the Company's voting shares shall be held within 40 days from the date of the request to hold EGM.

12.9. The EGM convened at the Company's Auditing Commission request, Auditors' request or on the request of shareholders (a shareholder) owning at least 10 per cent of the Company's voting shares, the agenda of which contains the item of election of the Company Board of Directors' members, shall be held within 70 days from the date of the request to hold EGM.

In case the number of the Company Board of Directors' members becomes less the quorum necessary to hold the sessions of the Board of Directors, the EGM convened on the decision of the Board of Directors under its own initiative to settle the issue of the Board of Directors' members election, shall be held within 70 days from the date of decision taken by the Company's Board of Directors.

12.10. When preparing an EGM having in its agenda the item of election the Company's Board of Directors, the shareholders (a shareholder), owning in aggregate at least 2 per cent of voting shares shall have a right to nominate candidates to the Company's Board of Directors, the number of which shall not exceed the number of Board of Directors stated herein. Such proposals shall enter the Company not later than 30 days prior to EGM.

12.11. The list of persons entitled to participate in the General Shareholders Meeting shall be made up based on the Company shareholders' register data.

The list of persons entitled to participate in the AGM shall be made up not earlier than the date when the decision to hold the General Shareholders Meeting was taken and not later than 50 days and at least 45 days to the date of its holding.

The list of persons entitled to participate in the EGM having in its agenda an item concerning the election of the Company Board of Directors' members shall be made up not earlier than the date when the decision to hold the EGM was taken, not more than 65 days prior and not later than the notice on the EGM holding was published.

12.12. Notice on the AGM shall be published not later than 30 days prior to the date of its holding if not otherwise stated by the legislation.

In case an EGM is convened following the request of the Audit Commission, Auditor or a shareholder of the Company, owning not less than 10 per cent of voting shares in the Company, a notice on such EGM shall be made not later than 20 days prior the date the meeting is held.

In case the agenda of EGM contains an item concerning the election of the Company Board of Directors' members, the notice on the EGM shall be published not later than 50 days prior to the date of its holding.

Within the stated time a notice on the General Shareholders Meeting shall be either sent to each person of the list of those entitled to participate in the General Shareholders Meeting, by registered mail or delivered to all of the enlisted person under notice of receipt. Additionally the notice on General Meeting may be published in the newspaper "Rossiyskaya Gazeta" and major regional newspapers.

12.13. Persons entitled to participate in the General Shareholders Meeting shall be provided with the following information (materials) according to the procedure and at the place (places) stated in the Notice on the General Shareholders Meeting:

- annual accounting reports including auditors' opinion and Company auditing commission opinion on the results of annual accounting audit,
- information on the candidates into the Board of Directors and Auditing Commission of the Company,
- draft alterations and amendments to be introduced into the Company Charter, or new edition of the Company Charter,



- internal documents draft,
- other drafts of documents to be adopted by the draft decisions of the General Shareholders Meeting,
- draft decisions of the General Shareholders Meeting,
- any other information (materials), necessary to be provided pursuant to the current legislation,
- any other information (materials) necessary to take decisions on the General Shareholders Meeting' agenda, covered by the Board of Directors in the list of information (materials) to be provided to the shareholders when preparing the General Shareholders Meeting.

12.14. General Shareholders Meeting shall be legally qualified (shall secure a quorum), provided it was participated by shareholders owning in aggregate more than a half of vote of the voting shares placed by the Company.

Shareholders are deemed to have participated in the General Shareholders Meeting if they have registered for the participation or whose resolutions have been received not later than two days prior to the date of the General Shareholders Meeting. Shareholders are deemed to have participated in the General Shareholders Meeting held in the form of absentee voting, if their resolutions have been received before the cut-off date fixed for the resolution receipt.

12.15. In case the agenda of the General Shareholders Meeting contains items, which are to be voted by different voting membership, the quorum for decision on these items shall be determined separately. If there is no quorum for taking a decision on items to be voted by the same voting membership, this shall not prevent from taking a decision on other items to be voted by other voting membership, which secures a quorum.

12.16. If there is no quorum to hold General Shareholders Meeting, a repeated Annual General Shareholders Meeting shall be held with the same agenda. If there is no quorum to hold Extraordinary General Shareholders Meeting a repeated Extraordinary General Shareholders Meeting may be held with the same agenda.

A repeated Annual General Shareholders Meeting shall be legally qualified (shall secure a quorum), provided it was participated by shareholders owning in aggregate at least 30 per cent of vote of the voting shares placed by the Company.

A notice on repeated AGM and sending (delivery) of voting resolutions shall be done not later than 20 days prior to the date of repeated AGM.

A notice on repeated AGM with the agenda containing an item of the Company reorganization shall be published not later than 30 dates prior to the repeated AGM.

In case a repeated AGM is to be held earlier than 40 days after cancelled AGM, shareholders entitled to participate in AGM shall be determined in accordance with the list of persons who were entitled to participate in cancelled AGM.

12.17 Shareholders Meeting shall be presided by a person appointed by the Board of Directors.

12.18 General Director, members of the Board of Directors and Managing Board, Audit Commission, Auditor (its proxy), candidates to the Board of Directors, Audit Commission, and the company's Auditor shall be entitled to attend the General Meeting.

12.19 Other issues related to the preparation and holding Annual and Extraordinary General Shareholders Meetings including the holding procedure shall be determined by the Company's Procedure of Holding General Shareholders Meeting to be approved by General Shareholders Meeting.

### **Company's Board of Directors**

13.1. Board of Directors is the collegiate body of the Company, which exercises the overall administration of the Company's activities.

13.2. The Board of Directors shall be annually elected in the number of 11 members by the General Shareholders Meeting cumulative voting

13.3. The Annual General Meeting is entitled to decide on pre-term termination of powers of the Board of Directors. Such a decision thereof may only be taken if relating to all the members of the Board of Directors.

In case of pre-term termination of the Board's powers, the powers of newly formed Board of Directors shall be effective until the next General Meeting of Shareholders.

13.4. The exclusive competence of the Board of Directors is as follows:

1) Determination of priority guidelines of the Company, including approval of annual budget, medium-term and long-term budgets, strategies and development programs of the Company, amendment of the said documents and control of their fulfillment;

2) Preliminary approval of operations being over the stated Company annual budget;

3) Convocation of annual and extraordinary General Meetings of Shareholders, except for cases stipulated in Article 55.8 of Federal Law "On Joint-Stock Companies";

4) Approval of the General Meeting's agenda;

5) Fixing of the cut-off date to compile the list of persons entitled to participate in the Annual General Meeting, and other issues being the competence of the Board of Directors pursuant to provisions set forth in Article 7 of Federal law "On Joint-Stock Companies", and relating to preparations and holding of General Meetings.

6) Preliminary approval of Annual Report of the Company;

7) Increase in the charter capital through placement of additional share issues within the number of authorized shares, stipulated hereof except for cases set forth in items 8 and 9 of Article 12.2 hereof;

8) Placement of bonds or other securities in case placement conditions provide that the securities hereof are not convertible into shares of the Company;

9) Placement of convertible bonds and other convertible securities if the said bonds (securities) are placed on the basis of open subscription and may be swapped into Company shares, representing 25% or less than 25% of common shares previously placed;

10) Fixing of price (pecuniary valuation) of assets, placement price and buy-out price of securities in cases, provided for in the Federal Law "On Joint-Stock Companies";

11) Approval of decisions on shares issuance, Prospectuses, Reports on Results of the Issue, Reports on Results of Share Purchases for their redemption;

12) Purchase of shares, bonds and other securities being placed by the Company, in cases provided for the Federal Law "On Joint-Stock Companies";

13) Approval the Company's Registrar and the general terms and conditions of Contract to be signed with Registrar, as well as terms of its termination;

14) Recommendations with regard to the rate of dividend payments, form and payout date, approval of internal document on dividends on Company shares;

15) Usage of reserves fund and other Company funds;

16) Approval of an internal document stipulating for the procedures of internal audit of financial and operational activities of the Company;

17) Recommendations with regard to the amount of remuneration and compensations to be paid to Audit Commission members, approval of Contract general terms and conditions to be

signed with auditors including the amounts to be paid to the Auditors for their services;

18) Approval of Regulations on operating entity of the Company, executing internal audit, agreement on candidates for its manager, as well as other issues which shall be considered by the Board of Directors in accordance with Regulations on the said operating unit;

19) Approval of major deals connected with explicit or implicit acquisition and alienation or possible alienation of assets, the value of which ranges between 0.4% to 25 per cent of the book value of Company assets according to the accounting statements as of the last reporting date;

20) Approval of major deals connected with both explicit or implicit acquisition and alienation or possible alienation of assets, the value of which ranges between 25 to 50 per cent of the book value of Company assets according to the accounting statements as of the last reporting date, with an exception of transactions carried out within the Company's general activities, transactions concerning subscription-based placement of common shares, and transactions connected with placement of convertible securities that are swapped into common shares of the Company;

21) Approval of transactions with conflict of interests, in cases set forth in Article 11 of Federal law "On Joint-Stock Companies";

22) Determination of main principles of organizational structure of the Company;

23) Establishment of branches, opening of representative offices, their liquidation, and approval of their Regulations;

24) Affirmation of candidates to the positions of directors of branches, representative offices and their retirement;

25) Appointment of the sole executive body (General Director), fixing his/her term of office as well as pre-term termination of his/her powers;

26) Election (re-election) of Chairman of the Board of Directors and his/her deputy;

27) Establishment of collegiate executive body (Management Board), determination of its term of office and pre-term termination of Management Board members' powers;

28) Affirmation of holding more than one office by a person acting as the sole executive body and by the members of Management Board in managing bodies of other organizations;

29) Authorization to hold more than one paid office in other organizations for a person acting as the sole executive body;

30) Establishment of continuing or temporary (for settlement of given matters) committees of the Board of Directors, and approval of Regulations thereon;

31) Appointment of the Company corporate Secretary and his/her dismissing, and approval of Corporate Secretary Regulations;

32) Approval of contracts (supplementary agreements), concluded with General Director, members of Management Board, directors of branches, representative offices, directors of operating entities executing internal audit, Company Corporate Secretary along with consideration of issues, submitted to the Board of Directors in connection with such contracts;

33) Taking decisions on the Company participation (acting as a participant, terminating participation, changing the stake or its nominal value, changing the number of shares held by the Company or their nominal value) in other businesses, including those connected with purchase, sale or alienation of shares or stakes and/or parts of such stakes in other companies along with additional contributions to the charter capitals of said organizations;

34) Taking decisions on the Company participation in non-commercial organizations, except the cases set forth in Article 12.2.18 hereof, by entering the organization as its participant, termination of participation, additional contributions related to the Company participation in non-commercial organizations;

35) Taking decisions on the questions being the competence of the general meetings of participants of commercial organizations, where the Company is the only participant having the right of vote at general meetings;

36) Outlining the procedure of interaction with organizations, which Company has an interest in;

37) Approval of internal documents (document) which determine the procedures and approaches to disclosure of Company information, regulate the use of confidential Company information, its securities and related transactions.

38) Approval of internal documents of the Company other than stated in Article 13.4 hereof, which refer to issues being the competence of the Board of Directors, except for internal documents, being the competence of General Meeting and executive bodies of the Company pursuant to Company Charter;

39) Approval of Corporate Governance Code of the company, introductions of amendments and supplements therein;

40) Approval of risk management procedures in the Company;

41) Other issues provided for by the Federal law “On Joint-Stock Companies” and this Charter.

13.5. Issues being the exclusive competence of the Company’s Board of Directors cannot be devolved on the Collegiate Body or Sole Executive Body of the Company.

13.6. Decisions on the issues set forth in items 7, 20 of Article 13.4 hereof are adopted unanimously by all the members of the Board of Directors except for the votes of the retired members of the Board of Directors

In case the consensus of opinion regarding the items 7 and 20 of Article 13.4 hereof is not reached by the Board of Directors, the said issues may be submitted to the General Meeting upon the respective decision of the Board of Directors. In that case, the decisions shall be taken by the majority of votes, belonging to the holders of voting shares participating in the General Meeting.

Decisions on the issues set forth in items 7, 21 of Article 13.4 hereof are adopted by the majority of votes of independent directors and/or directors not interested in the transaction.

In case all the members of the Board of Directors are assumed interested persons and/or are not found independent, the transaction may be adopted by the decision of the General Meeting of Shareholders in part of votes represented by shareholders – holders of voting shares that are not interested in the transaction.

13.7. In taking decisions in connection with assessment of property being the object of a major transaction, as well as transactions in respect of determination of swap ratios of shares in the course of reorganization, and possible changes in market value of shares as a result of acquisition, the Board of Directors shall take into account the opinion presented by an independent assessor.

13.8. Other issues, aside from those enlisted in Articles 13.6, hereof, which are the competence of the Board of Directors pursuant to the Federal law “On Joint-Stock Companies” and Company Charter, shall be approved by the majority of votes belonging to the members of the Board of Directors, participating in the session.

13.9. Convocation and procedure of sessions of the Board of Directors, the amounts of remuneration and compensations paid to members of the Board of Directors along with the procedure of payment are stipulated in the Regulations on the Board of Directors, to be approved by the General Meeting of Shareholders.

13.10. Sessions of the Board of Directors are convened by the Chairman on his/her own initiative, on request of a member of the Board of Directors, Auditing Commission of the Company, Company auditors, sole or collegiate Executive Bodies, as well as on request of shareholders (shareholder), owning in aggregate at least 5% of voting shares of the Company.

13.11. The quorum is assumed as secured provided more than 50% of the authorized members of the Board of Directors participating in the session of the Board of Directors

13.12. When determining the quorum and results of the Board of Directors' voting it shall be taken into account an opinion of an absent member of the Board expressed in writing.

13.13. The Company's Board of Directors is entitled to take decision by absentee voting.

13.14. When considering issues at the Board of Directors' session each member of the Company's the Board of Directors has one vote. When taking a decision the Chairman of the Board of Directors has casting vote in case of votes' parity of the Board of Directors' members.

13.15. The Chairman of the Board of Directors shall organize its work, convene sessions of the Board and preside at them, arrange record-keeping and ensure efficient activities of committees under the Board of Directors.

13.16. The Board of Directors is qualified to appoint a deputy Chairman of the Board of Directors. When the Chairman of the Board of Directors is absent, his functions (including the power to sign documents) shall be executed by his/her deputy, and if the latter is absent, these functions shall be executed by one of the Board's members elected under the decision of the Board of Directors taken by the majority of members' votes participating in the session.

## Article 14

### **Company Management Board**

14.1. Management Board is the collegiate executive body of the Company, which provides for fulfillment of decisions adopted by the General Meeting of Shareholders and the Board of Directors.

14.2. Numerical and personal membership of the Management Board shall be determined by the decision of the Company's Board of Directors upon recommendation of General Director and members of the Board of Directors.

14.3. The Management Board shall be established for the term determined by the Board of Directors when its members are appointed.

The Board of Directors is entitled to initiate the pre-term termination of powers of any member (all members) of Management Board.

In case of pre-term termination of some members of the Management Board, the powers of newly appointed ones shall be valid within the term of office of the Company's Management Board.

14.4. The competence of the Management Board involves the following operating management issues:

1) Working out of proposals on main streamlines of Company activities including drafts of annual budget, medium-term and long-term budgets, strategies and development programs of the Company along with amendment of the said documents;

2) Taking decisions on the questions being the competence of the supreme management organs of the non-commercial organizations, where the Company is the sole founder (participant), except for those where such supreme management boards are formed without the founder's (participant's) representatives;

3) Elaboration of human resources and social policies of the Company;

4) Approval of internal document regulating general provisions of labor motivation and consideration and decision taking on terms of collective agreements;

5) Preparation of materials and draft decisions in connection with issues that are submitted to consideration of General Meeting of Shareholders and sessions of the Board of Directors and submission of materials to committees under the Board of Directors;

- 6) Managerial and technical provision of the Company's operations;
  - 7) Elaboration of technical, economic and financial, and tariff policies of the Company;
  - 8) Determination of accounting policy, supervision on improvement of accounting and managerial methods along with introduction of IAS in the Company and its branches;
  - 9) Determination of methods of planning, budgeting and controlling in the Company and its branches;
  - 10) Determination of security policy in the Company and its branches;
  - 11) Elaboration of procedure of property allocation to Company branches and its attachment;;
  - 12) Determination of numerical membership and appointment of members of branch's collegiate executive bodies as well as pre-term termination of their powers, approved by Regulations on collegiate bodies thereof;
  - 13) Preliminary affirmation of candidates for deputy directors, chief accountants of branches and representative offices and dismissing of the said persons;
  - 14) Approval of general terms and conditions of contracts (supplementary agreements) signed with members of branch's collegiate executive bodies, deputy directors, chief accountants of branches and representative offices, along with consideration of issues on which the Management Board shall take decisions pursuant to the above-mentioned agreements;
  - 15) Approval of quarterly budgets of branches and amendment of these documents;
  - 16) Performance analysis of the Company's branches, including isolated ones, provision of mandatory directives to advance their efficiency;
  - 17) Approval of internal documents that address issues being the competence of the Management Board, except for questions that are approved by the General Meeting and the Board of Directors of the Company.
  - 18) Approval of organizational structure of the company, including main functions of operating entities.
  - 19) Approval of regulation on permanent or temporary committees of the Managing Board.
- 14.5. Management Board is also entitled to decisions relating to other aspects of operating activities of the Company, specified in the Law on Joint-Stock Companies and this Charter, upon the instructions of the Board of Directors or suggestion of General Director of the Company.
- 14.6. Convocation and procedure of Management Board's sessions, and the decision-making process of the Management Board, amounts of remuneration and compensations paid to members of the Management Board shall be set forth in the Regulations on the Management Board of the Company, to be approved by the General Meeting of the Company.
- 14.7. Rights, duties, salary and responsibility of members of the Management Board shall be stipulated in contracts, concluded with every member thereof. The contacts shall be signed on behalf of the Company shall be signed by its General Director.

## Article 15

### **Company General Director**

15.1. General Director is the sole executive body executing management of operating activities of the Company. General Director shall be appointed by the Board of Directors of the Company.

15.2. General Director shall take decisions, which as per this Charter are not the competence of the General Shareholders Meeting, the Board of Directors or Management Board of the Company.

15.3. General Director shall perform the functions of the Chairman of the Management Board of the Company.

15.4 General Director is entitled to set up committees and appoint the members of these committees

15.5. General Director shall act on behalf of the Company without power of attorney, including representation of the Company's interests, make deals on behalf of the Company, approve staff list, issue orders and give instructions mandatory for all Company employees.

Rights, duties, salary and responsibility of General Director are stipulated in the contract, signed between he/she and the Company. This contract on behalf of the Company shall be signed by the Chairman of the Board of Directors.

15.6. The Board of Directors is entitled at any time to take a decision on pre-term termination of General Director's powers and dissolving the contract with him/her.

## Article 16

### **Company Corporate Secretary. Corporate Secretary Apparatus**

16.1. On the decision of the Board of Directors a special person may be appointed to supervise the Company's bodies and officers keeping to procedure requirements thus ensuring realization of rights and interests of the Company's shareholders, i.e. the Corporate Secretary of the Company.

16.2. Rights, duties, term of office, salary and responsibility of Company Corporate Secretary are stipulated in the internal Company's documents and by the Contract to be signed between him/her and the Company. This contract on behalf of the Company shall be signed by the Chairman of the Board of Directors.

16.3. To ensure efficient performance by the Company Corporate Secretary his/her duties the Company may found Corporate Secretary Apparatus, the membership, number of staff, structure and responsibilities shall be regulated by internal Company documents to be approved by the Board of Directors.

## Article 17

### **Auditing of the Company Financial and Economic Activities**

17.1. To perform auditing of the Company's financial and economic activities there shall be established an Auditing Commission, a special operating entity to perform internal auditing, as well as an independent auditors shall be invited.

17.2. The Auditing Commission is a self-dependent Company supervision body to be elected by the General Shareholders Meeting for the term office till the next AGM and numbering 7 persons.

17.2.1. The General Shareholders Meeting may take a decision on pre-term termination of powers of any and all members of the Auditing Commission.

In case of pre-term termination, the powers of newly appointed Auditing Commission's members shall be valid till the next General Shareholders Meeting.

If the number of Auditing Commission's members turns to be less than a half of its elected members, the Board of Directors shall convene an Extraordinary General Shareholders Meeting to elect new Auditing Commission. The remaining members of Auditing Commission shall continue their powers till the election of new Auditing Commission at the Extraordinary General Shareholders Meeting

17.2.2. The aspects listed below are the competence of the Auditing Commission:

- auditing of the trustworthiness of the information in the reports and other financial documents of the Company;
- revealing of non-compliance of book accounting keeping and financial statements with legal acts of the Russian Federation (if any);
- auditing of keeping to the legal regulations in respect of taxes' computation and payment;
- revealing of non-compliance (if any) with legal acts of the Russian Federation in accordance with which the Company performs its financial and economic activities;
- evaluation of the economic expediency of Company's financial and economic activities.

17.2.3. Auditing (revision) of Company's financial and economic activities by the Auditing Commission shall be done on the Company performance results for a year.

Auditing (revision) of Company's financial and economic activities shall be performed at any time:

- on the independent initiative of the Auditing Commission ;
- on the decision of the General Shareholders Meeting;
- on the decision of the Company's Board of Directors;
- on the request of a shareholder (shareholders) owning in aggregate at least 10 per cent of the Company's voting shares on all the issues being the competence of the General Shareholders Meeting as of the date of the request.

17.2.4. On the request of the Auditing Commission any officers of the managing bodies of the Company shall submit documents on financial and economic activities of the Company.

17.2.5. Procedure of Auditing Commission's activities along with the amount and order of remuneration payment to its members shall be defined by the Regulations on the Auditing Commission to be approved by the General Shareholders Meeting.

17.3. To secure permanent internal control of all economic operations of the Company, a special branch independent of Company's executive bodies shall be established which activities shall be controlled directly by the Board of Directors of the Company.

Functions of the said branch, order of its activities, appointment of its staff and requirement they are to meet shall be specified by internal document to be approved by the Company's Board of Directors.

17.4. To audit and confirm annual financial statements the Company shall annually invite qualified auditors not tied by valuable interest with the Company or its shareholders.

17.4.1. The auditors shall audit financial and economic activities of the Company pursuant to the legal acts of the Russian Federation and based on the Agreement signed with the Company.

17.4.2. The General Shareholders Meeting shall approve the Company's Auditors. General terms and conditions of a Contract to be signed with auditors including the amounts to be paid to the Auditors for their services shall be approved by the Company's Board of Directors.

17.4.3. Auditing of the Company's activities shall be performed at any time upon the request of shareholders, possessing in aggregate at least 10 or more per cent of the Charter capital. Shareholders initiating this auditing shall submit to the Board of Directors a written request with grounds of its submitting, shareholders names, number and category (type) of shares they own and signature of a shareholder or his/her representative. In case the request is signed by a representative, the power of attorney shall be attached.



## Article 18

**Company Reorganization**

18.1. The Company may be voluntarily reorganized on the decision of the General Shareholders Meeting. Any other grounds and procedures of the Company reorganization shall be regulated by the Russian Federation legislation in force.

18.2. The Company reorganization may be performed in the form of merger, affiliation, splitting, detachment and transformation into another legal form of organization in accordance with the procedure established by the Federal Law “On the Joint-Stock Companies”.

## Article 19

**Company Liquidation**

19.1. The Company may be voluntarily liquidated by the decision of the General Shareholders Meeting or on the court’s decision in cases and order provided for by the Russian Federation legislation in force.

19.2. In cases provided for by the Russian Federation legislation in force, the Company shall take the decision on its voluntary liquidation.

19.3. In case of voluntary liquidation of the Company its property is not enough to settle with all the Company’s creditors, the Liquidation Commission’s Chairman to be appointed by the General Shareholders Meeting shall submit an application to the arbitrage to perform a simplified procedure of bankruptcy of liquidated debtor in respect of the Company.