

**ARTICLES OF ASSOCIATION
OF OAO NGK SLAVNEFT, AN OPEN JOINT STOCK
OIL AND GAS COMPANY**

(New Edition,

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Moscow

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**ARTICLES OF ASSOCIATION
OF OAO NGK SLAVNEFT, AN OPEN JOINT-STOCK
OIL AND GAS COMPANY**

OAO NGK Slavneft, an Open Joint Stock Oil and Gas Company (hereinafter referred to as the Company) was established in accordance with Resolution № 305 of the Government of the Russian Federation as of 08.04.94 and Resolution № 589-p of the Council of Ministers of the Republic of Belarus as of 15.06.94 and the Founding Memorandum as of 27.06.94.

Article 1. NAME AND LOCATION OF THE COMPANY

1.1. The full official name of the Company is Otkritoye Aktsionerное Obschestvo Neftegazovaya Kompaniya Slavneft .

The abbreviated official name of the Company is OAO NGK Slavneft.

1.2. The Company is located in the city of Moscow, the Russian Federation.
The postal address of the Company is: build. 4, 4th Lesnoy pereylok, Moscow, 125047, the Russian Federation.

Article 2. LEGAL STATUS OF THE COMPANY

2.1. The Company is a legal entity. The Company shall acquire the rights and obligations of a legal entity from the date of its registration. The Company has a round stamp with its full business name. The Company has the right to have stamps and letterheads bearing its name, its own emblem, a duly registered trade mark, and other means of visual identification.

2.2. The Company shall be liable for all its obligations to the full extent of its assets. The Company shall not be liable for the obligations of its shareholders.

The State and state bodies shall not be liable for the obligations of the Company. The Company shall not be liable for the obligations of the State and state bodies.

2.3. The shareholders of the Company shall not be liable for the obligations of the Company and shall bear the risk of loss related to its activities to the extent of the value of the shares owned by them. The shareholders, who have not paid for the shares in full, are jointly liable for the obligations of the Company to the extent of the paid part of the shares value owned by them.

2.4. The Company, on its own behalf, shall have the right to acquire and exercise proprietary and non-proprietary rights, incur liabilities, litigate in court.

2.5. The Company shall own the solitary property stated in the independent balance, which includes the assets transferred as the payment for the authorized capital and the assets acquired during its activities and on any other grounds to the extent of the applicable law of the Russian Federation.

The Company shall possess, use and administer its property according to the objective, types of its activity and purpose of the property to the extent provided by the law of the Russian Federation and these Articles.

2.6. The Company shall have the right to participate in the authorized capital of other joint stock companies and other business entities and partnerships, and shall have the right to establish and have subsidiaries and affiliates.

The Company shall not be liable for the obligations of the business entities and partnerships, where it has its share in the capital, including subsidiaries (except for the cases stipulated by the applicable law). The above mentioned entities and partnerships shall not be liable for the obligations of the Company.

2.7. The Company may establish duly registered branches and open representative offices, both in the Russian Federation and abroad, which shall act in accordance with their founding documents. The Regulations for branches and representative offices shall be approved by the Company according to the Articles and the law of the country of their location.

The branches and representative offices of the Company shall not be legal entities. Branches and representative offices shall be entitled to the property, which is entered both into their independent balance and the balance of the Company. The head of a branch and the head of a representative office shall be appointed by the Company and he shall act on the grounds of a fully executed power of attorney which shall be issued by the Company.

The Company shall be liable for the activities of its branches and representative offices.

The list of branches and representative offices of the Company is given in the Annex to the Articles of Association.

2.8. The Company shall be constituted for an indefinite period of time.

Article 3. OBJECTIVES AND TYPES OF THE COMPANY'S ACTIVITIES

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

3.2. The Company shall have the right to exercise all types of business activities, which are not prohibited by the federal laws and which meet the following Company's objectives, including, but not limited to:

- exploration, construction and operation of oil and gas fields;
- oil and gas refining and producing commercial oil products, petrochemicals and other by-products obtained during certain technological processes (including oil and gas transportation, production of consumer goods);
- sale of oil, gas and their derivatives;
- trade, intermediary activities and advertising;
- execution of the orders for the state purposes related to the Company's subsidiaries products;
- target financing for research, development, design and exploration work, re-equipment, reconstruction, increasing production capacities of production, refining, transportation of oil and gas, oil products output and other types of products (services, work) of the Company subsidiaries and environmental protection measures;
- exploration of the markets of capital, goods and services;
- consulting activities;
- development of auxiliary production facilities in order to improve production technologies, environmental protection and health protection of the Company personnel;
- protection the Company's property and personnel;
- systematic management, coordination of work and control over mobilization training and civil defense, as well as protection of information which contains a state and commercial secret according to the applicable laws of the Russian Federation.

All the types of the Company's activities subject to licensing according to the applicable laws of the Russian Federation shall be effected only after the acquisition of the appropriate licenses.

Article 4. SHARE CAPITAL OF THE COMPANY

4.1. The Company's Share Capital shall amount to 4,754,238 (four million seven hundred fifty four thousand two hundred and thirty eight) rubles.

4.2. The Company's Share Capital shall be formed by the allotted stock of 4,754,238,000 (four billion seven hundred and fifty four million two hundred and thirty eight thousand) ordinary shares of par value.

A par value of all the ordinary shares of the Company shall be equal and amount to 0.1 kopecks.

4.3. If upon completion of the second financial year and each subsequent financial year the Company's net asset value is less than its authorized capital, the Company's Board of Directors shall include the Section on the net asset value status into the Company's annual report in preparing to the annual general Meeting of Shareholders.

The Section on the Company's net asset value status shall involve:

1) Indicators which characterize the dynamics of the change in the value of the Company's net asset and authorized capital over previous three completed financial years, including the reporting year;

2) Deliverables of the analysis of the reasons and factors which in the opinion of the Company's Board of Directors resulted in the fact that the Company's net asset value proved to be less than its authorized capital;

3) The list of actions to adjust the Company's net asset value to its authorized capital.

If the Company's net asset value remains below its authorized capital upon completion of the financial year that follows the second financial year or each subsequent financial year, upon completion of which the net asset value proved to be less than its authorized capital, including the case envisaged by Paragraph 9 of this Clause, the Company shall pass one of the following resolutions not later than in six months upon completion of the relevant financial year:

1) Whether to reduce the Company's authorized capital to the amount that does not exceed its net asset value;

2) Or to liquidate the Company.

If the Company's net asset value is below its authorized capital by more than 25 percent upon completion of three, six, nine, or twelve months of the financial year that follows the second financial year or each subsequent financial year, upon completion of which the Company's net asset value proved to be less than its authorized capital, the Company shall twice with regularity of once per month place the notice on reduction of the Company's net asset value on the mass media where information on the state registration of legal entities is published.

If at the end of the second financial year and each subsequent financial year, the cost of net assets would be less against the value of the minimum share capital as stipulated by the laws of the Russian Federation, the Company shall decide on its liquidation within six months after the end of the financial year.

If within the term established by Paragraphs 6, 9 and 10 of this Clause the Company does not fulfill the obligations envisaged by the specified Clauses, lenders are entitled to require the Company to accelerate the fulfillment of the relevant obligations, or, if their early fulfillment is impossible, to terminate the obligations and compensate losses caused by such termination. Herewith, the agency which carries out state registration of legal entities or other State or local authorities which are entitled to raise a claim on the Company's liquidation in line with the Federal Law have the right to file such a claim in court.

4.4. The Company shall have the right to pass a resolution for increasing its Share Capital provided that it is paid in full.

4.5. The Company's Share Capital may be increased by raising a par value of shares or by issuing additional shares.

4.6. The resolution for increasing the Share Capital by raising a par value of shares and introducing the appropriate amendments to the Articles shall be passed by the General Meeting of Shareholders (hereinafter referred to as the Meeting of Shareholders).

4.7. The resolution for increasing the Share Capital by allotment of additional shares, which shall not exceed the number of the declared shares, shall be passed by the Meeting of the Shareholders of the Company.

The number of additional shares allotted by the Company shall not exceed the number of the declared shares established by the Articles.

The resolution for the number of the declared shares and introducing the appropriate amendments to the Articles of Association shall be passed by the Meeting of Shareholders (except for the amendments related to the reduction in their number due to allotting of additional shares).

The resolution for increasing the Share Capital by allotment of additional shares may be passed by the Meeting of Shareholders and by passing the resolution for introducing provisions into the Company's Articles of Association necessary for adopting the resolution on allotment of additional shares or introducing amendments on the number of the declared shares.

The resolution for increasing the Share Capital by the allotment of additional shares shall define the number of allotted shares (which shall not exceed the number of the declared shares), manner of their allotment, the value of allotted additional shares offered for subscription, or procedure of their evaluation, including the value of allotted shares or procedure of determination of the value of additional shares for shareholders, who have the preemptive right to buy allotted shares, and the procedure for the payment for additional shares. Other conditions of share allotment may also apply.

The amendments to these Articles, which shall be made according to the outcome of additional shares allotment, are based and made on the Meeting of Shareholders' resolution for increasing the Share Capital (or other resolution which constitutes the grounds for allotting shares and securities convertible to shares) and a registered report on the result of the share allotment.

When the Share Capital increases by allotting of additional shares, its value shall be increased by the sum of a par value of allotted additional shares together with appropriate decrease in the number of the declared shares of the Company.

4.8. The Share Capital may be increased by allocating additional shares at the expense of the Company's property and by distributing additional shares among all shareholders. The shares shall be distributed between shareholders according to the type (category) and proportional amount of shares they own. The increase in the Share Capital at the expense of the Company's property leading to the appearance of fractional shares shall not be allowed.

The total amount of the Company Share Capital increased at the expense of the Company's property shall not exceed the difference between the net assets value and the total amount of the Share Capital and the Company's reserve capital.

The Company's Share Capital may be increased by increasing a par value of shares and only at the expense of the Company's property.

4.9. The Company's Share Capital may be reduced by the decrease in a par value of the Company shares issued earlier or by reducing their total number, which may include the buyback and cancellation of a part of the Company's shares acquired according to Clause 5.9 of these Articles, by the cancellation of the shares acquired by the Company according to Clause 5.10 of these Articles, or they may be bought back by the Company according to Clause 6.6 of the Articles.

The Company shall reduce the Share Capital when it is stipulated by the applicable laws of the Russian Federation.

The resolution for reducing the Company's Share Capital shall be passed by the Meeting of Shareholders.

The resolution for the reduction of the Share Capital of the Company by decreasing the par value of the shares may include the payment of monies to all the Company shareholders and (or) handing to them the issue securities possessed by the Company and placed there by another legal entity. The resolution contents and its procedure of adoption shall meet Article 29 of the Federal Law on Joint Stock Companies.

The amendments to the Articles related to reducing the Share Capital in cases stipulated by Clause 5.9 of these Articles shall be introduced on the grounds of the resolution of the Meeting of Shareholders and the report on the shares acquisition approved by the Board of Directors. The amendments to the Articles related to reducing the Share Capital by the cancellation of the Company's own shares in cases stipulated in Clauses 5.10 and 6.6 of the Articles shall be introduced by the resolution of the Meeting of Shareholders and the report on the shares acquisition approved by the Board of Directors. In that event, the Share Capital shall be reduced according to the amount of the par value of the cancelled shares.

The Company has no right to reduce its Share Capital if such a reduction will make its amount less than the minimum amount of a stock company share capital established by the applicable laws of the Russian Federation effective as on the date of submitting the documents for the state registration of the appropriate amendments in the Company's Articles, and in cases when the Company is to reduce its Share Capital – as on the date of the Company's state registration.

The Company has not right to adopt the decision on the reduction of the Share Capital and pay out monies and (or) transfer ownership of the issue securities according to Paragraph 4 of this

Clause in cases stipulated by Clauses 4 and 5 of Article 29 of the Federal Law on Joint Stock Companies.

Within three business days, thereupon the Company passes the resolution on its authorized capital reduction, it shall notify of such a resolution the agency which carries out state registration of legal entities and shall twice with regularity of once per month place the notice on reduction of its authorized capital on the mass media where information on the state registration of legal entities is published.

If the Company's lender exercises its right of claim prior issuance of the notice on reduction of the Company's authorized capital, the lender is entitled to require the Company to accelerate the fulfillment of the relevant obligation within 30 days from the date of the last issuance of such notice. If early fulfillment of the obligation is impossible, the lender is entitled to require termination of this obligation and compensation of losses caused by such termination. The limitation period for filing such claims in court makes six months from the date of the last issuance of the notice on reduction of the Company's authorized capital.

Article 5. SHARES AND OTHER SECURITIES OF THE COMPANY

5.1. The Company's shares shall be owned by its shareholders. A shareholder of the Company shall not have the proprietary rights to the Company's property, except for the event of its liquidation.

5.2. If a shareholder is not able to acquire a whole number of the Company shares when exercising his preemptive right to purchase additional shares and in the event of the consolidation of the Company shares, fractional shares shall be formed.

A fractional share shall give to its owner – shareholder the rights assigned to this category (type) of a share, which it represents and to the extent, which corresponds to the fraction of the share.

If a person acquires two or more fractional shares of one category (type), these shares form one whole share and (or) a fractional share equal to the sum of these fractional shares.

5.3. The Company shares shall be registered shares.

5.4. The conversion of the Company's ordinary shares to preferred ones, bonds and other securities shall not be allowed.

5.5. The Company shall have the right to offer additional shares and other issue securities for subscription, as well as to allot additional shares to its shareholders, when the Company's Share Capital is increased at the expense of its property.

The terms for the allotment of shares and issue securities shall be defined by the resolution for their allotment.

5.6. A shareholder shall pay for the acquired shares in full within the time determined by the resolution for their allotment, but not later than one year after their acquisition.

Additional shares and other issue securities of the Company offered for subscription shall be allotted only after they have been paid for in full.

5.7. The payment for additional shares of the Company offered for subscription may be made by cash, securities, other property and transfer of proprietary rights (including the right to natural resources use) or other rights of money value.

The method of the payment for the securities shall be determined by the resolution for their allotment. The payment for other issue securities shall be effected only in monies.

If the payment for the Company's additional shares is effected by non-monetary assets, the evaluation of the property and proprietary rights offered for the payment shall be made by the Board of Directors of the Company in accordance with Article 77 of the Federal Law on Joint Stock Companies with obligatory involvement of an independent appraiser.

If the state and/or a municipal body are owners of more than two per cent of the Company's voting stock, the involvement of state fiscal authorities shall be required.

The assessed value of the property determined by the Board of Directors of the Company shall not exceed the assessed value determined by an independent appraiser.

5.8. The payment for additional shares of the Company allotted for subscription shall be effected at a price determined by the Board of Directors of the Company in conformity with Article 77 of the Federal Law on Joint Stock Companies, but their price shall not be lower than that of their par value.

The price of the allotted additional shares and other issue securities of the Company for the shareholders who have the preemptive right to acquire the shares may be 10 per cent less than that of the price of the allotted shares for other persons, but shall not be less than that.

The fee of the agent dealing with offering the Company's additional shares and other issue securities for subscription shall not exceed 10 per cent of the price of the allotted shares.

The payment for the issue securities convertible to the Company's shares and allotted for subscription shall be effected at a price, which shall not be lower than the nominal value of the shares, which these securities are converted to.

5.9. Following the resolution of the Meeting of Shareholders on reducing the Share Capital, the Company shall have the right to acquire the part of the shares it allotted in order to reduce their total number. The Company shall have no right to make a decision on reducing the Share Capital by acquiring the part of the allotted shares in order to reduce their total number if the nominal value of the shares remaining in circulation becomes lower than that of the Share Capital minimum stipulated by the Federal Law on Joint Stock Companies.

5.10. The Company shall have the right to acquire the placed shares provided the Board of Directors passes the appropriate resolution. In this event the nominal value of shares remaining in circulation shall not be less than 90 per cent of the Company's Share Capital.

The shares acquired by the Company shall not grant voting rights, they do not count in voting and do not gather dividends. The above shares shall be sold at a market price not later than one year from the date of their acquisition. Otherwise, the Meeting of Shareholders shall pass a resolution on reducing the Share Capital by canceling the above shares.

5.11. The Company acquisition of the placed shares may be effected by cash, securities, and other property, proprietary or other rights that have monetary value.

5.12. The categories (types) of the acquired shares, their number, price, method and terms of payment, the terms of acquisition shall be established by the resolution for the shares acquisition passed in accordance with Clauses 5.9 and 5.10 of the Articles.

The period of time for the acquisition of shares shall not be less than 30 days.

The shares shall be bought back at a price determined by the Board of Directors but it shall not be lower than the share market price set by the applicable laws of the Russian Federation.

5.13. The Company shall inform the shareholders – owners of certain categories (types) of shares, which acquisition has been decided by the resolution, 30 days before the time of their acquisition.

The Company shall acquire shares of certain categories (types), the decision on acquisition of which has been passed by the resolution, if their owner decides to sell them to the Company.

If the total number of shares to be bought back by the Company exceeds the number of shares which the Company can buy, the shares are bought back from the shareholders in proportion with the submitted requests.

5.14. The Company shall have no right to acquire the allotted Company's shares according to Clauses 5.9 –5.12 of the Articles in the following events:

before the Share Capital is paid-up in full;

before all the shares that are to be acquired from the shareholders according to Clause 6.6 of the Articles are bought back (taking into account the limit of the sum the Company may use to purchase shares);

if the Company is insolvent (bankrupt) according to the legal acts on insolvency (bankruptcy) when it buys back the shares or if their purchase will cause the above-mentioned condition;

if at the time of their purchase, the net asset value of the Company is lower than its Share and Reserve Capital or it will become lower as a result of such a buyback.

5.15. According to the resolution of the Meeting of Shareholders the Company shall have the right to consolidate or split-up the allotted shares. In this event the changes referring to the number and nominal value of declared and allotted shares shall be introduced into the Articles.

5.16. If, according to the current law and the Articles, the cost (monetary value) of the property and the cost of issue securities allotment and buyback are determined by the Board of Directors, then their value shall be determined according to their market price as per Article 77 of the Federal Law on Joint Stock Companies.

5.17. The Company shall control and maintain the share registry of the Company in accordance with the applicable laws of the Russian Federation.

The Registrar of the Company shall be a holder of the register of shareholders.

5.18. The Company shall have the right to issue bonds and other equity securities stipulated by the laws of the Russian Federation. The bond shall give its owner the right to convert the par amount of bond for cash within the maturity term set upon the bond issue and have the right to receive interest in accordance with the terms of the bond placement or depending on the results of the Company activity (for the bonds subject to profit interest).

The Board of Directors shall pass the resolution for bond and other equity securities issue. In this instance the resolution shall determine the method, terms and other bond repayment conditions.

The par value of all bonds issued by the Company shall not exceed the size of the Company's Share Capital and/or the amount of the Share Capital cover provided to the Company by third parties.

The bondholders shall have the preemptive right over shareholders for the distributed Company's profit and Company's assets in the event of its liquidation.

5.19. The bonds may be registered and unregistered. The Company shall maintain a bond register of the holders of the registered bonds. The holder of a registered bond shall timely inform the Registrar on all the changes in his personal data entered into the register.

If the information on the personal changes is not provided, the Company shall not be liable for the losses incurred to the holder of the Company's bond by the Company's inability to pay out certain sums or pass information to such a bondholder.

Article 6. SHAREHOLDERS OF THE COMPANY, THEIR RIGHTS AND OBLIGATIONS

6.1. Any legal entity or physical person can be a shareholder of the Company (except for the cases stipulated in the applicable laws of the Russian Federation).

The number of the Company's shareholders shall not be limited.

6.2. Any holder of the Company shares shall have the following rights:

- participate in the Meetings of Shareholders in person or by proxy and submit proposals for consideration as specified in the Articles;
- receive a portion of the Company profit (dividend), which shall be distributed according to the amount and category of the shares held by their holders;
- sell his shares without permission from other shareholders or the Company;
- receive information on all issues of the agenda of the Meeting of Shareholders and the minutes of the Meeting of Shareholders;
- obtain the part of the Company's property in case of its liquidation according to the category and number of held shares; as well as have other rights granted to shareholders by the Articles and the applicable laws of the Russian Federation.

The Company shareholder shall have no right to request the Company to acquire the shares fully or partially belonging to the shareholder of the Company and submit to him his share in the capital in other ways, except for the instances stipulated in the laws of the Russian Federation.

6.3. Every ordinary share shall grant its holder equal rights.

Shareholders – holders of ordinary shares may participate in the Meeting of Shareholders of the Company and shall have the right to vote on all issues of their concern. One ordinary share shall

grant one vote for passing resolutions at the Meeting of Shareholders (except for the instance stipulated in Clause 8.6 of the Articles).

6.4. The Company's shareholder may exercise his rights personally or by proxy.

6.5. The Company's shareholders have the preemptive right to acquire shares and other equity securities convertible to shares, which are additionally allotted for public subscription, in proportion with the number of the Company's shares belonging to them.

The Company's shareholders, who have voted against or have not taken part in voting on the allotment of shares and equity securities convertible to shares for private subscription, shall have the preemptive right to acquire additional shares and equity securities convertible to shares allotted for private subscription in proportion with the number of the Company shares belonging to them (except for the instances of private subscription made only for the Company shareholders, when shareholders have the right to acquire whole number of allotted shares and other equity securities convertible to shares in proportion with the number of Company shares belonging to them).

The list of persons having the preemptive right to acquire additional shares and issued securities convertible to shares shall be drawn up according to the register of shareholders data as on the date of passing the resolution, which gives the right for their allotment.

The Company shall inform the persons entitled to the preemptive right to acquire additional shares and issued securities convertible to shares on allotment of the mentioned securities in accordance with Clause 7.10 of the Articles on the Meeting of Shareholders.

The notice shall cover the number and price of allotted shares, the method of determining their price (including the price of allotted shares and the method of determining the price of allotted shares in case of exercising the preemptive right of their acquisition, the method of determining the number of securities, which any shareholder has the right to buy, the validity period of the preemptive right (hereinafter referred to as the validity period of the preemptive right).

The validity of the preemptive right shall not be less than 45 days from the date of forwarding (handing in) or publishing the notice. The Company shall have no right to allot additional shares and issued securities convertible to shares to the persons, which are not included into the list of persons having the preemptive right to acquire additional shares, until the end of the mentioned term.

A person that has the preemptive right to acquire additional shares may exercise his preemptive right fully or partially by submitting to the Company a written request on the acquisition of the above securities, which shall contain the shareholder's name (title), his address (location), the number of securities to be acquired and a payment receipt proving the payment for the shares, except the events provided in Paragraph 2 of Clause 2 of Article 41 of the Federal Law on Joint Stock Companies.

If the resolution for the allotment of the additional shares stipulates non-monetary settlement for the shares, the persons, who has the preemptive right to acquire shares may pay for them in cash.

6.6. The shareholders – owners of the Company voting shares shall have the right to request full or partial redemption of their shares by the Company, if they have voted against or have not taken part in voting on the following issues:

- reorganization of the Company;
- approval of a major transaction on acquisition, disposal or possible disposal of the Company's property in the event provided in Paragraph 3 of Clause 79 of the Federal Law on Joint Stock Companies;
- introducing the amendments to the Company Articles of Association and approval of the revised Articles of Association limiting the rights of the shareholders – owners of voting shares.

The list of persons that have the right to request the redemption of shares by the Company shall be drawn up in the register of Company's shareholders as on the date of drawing up the list of the persons entitled to participate in the Meeting of Shareholders, providing that the agenda includes the issues, which may lead to the right to request the redemption of shares after the voting.

The Company shall inform the shareholders on the possible appearance of the right to request the redemption of shares if the agenda of the Meeting of Shareholders includes the issues covered

in Paragraphs 2 - 4 of this Clause. The buyback price for the shares belonging to the shareholders and the buyback procedure shall be provided in the notice on convening the Meeting of Shareholders, the agenda of which includes the above issues.

The Company's buyback of the shares of the shareholders shall be performed in the order established in Article 76 of the Federal Law on Joint Stock Companies.

The buyback of the shares shall be effected at a price stipulated in the notice on convening the Meeting of Shareholders and shall be determined by the Board of Directors, but it shall not be lower than the share market price, which shall be determined by an independent appraiser, who shall not take into the account their change resulting from the Company's actions leading to the creation of the right to request the appraisal and redemption of the shares.

The total amount provided by the Company for the buyback of the shares shall not exceed 10 per cent of the Company's net asset value as on the date of passing the resolution, which may result in the right to request the redemption of shares. If the total number of the shares in the submitted request exceeds the number of the shares, which can be bought back by the Company, the shares shall be purchased from the shareholders in proportion with the submitted requests.

The shares bought back by the Company shall become the property of the Company. These shares shall not grant the right to vote or gather dividends. These shares shall be sold by the Company at their market price to third parties not later than one year from the date of the transfer of their legal title to the Company, if otherwise, the Meeting of Shareholders shall pass the resolution on reducing the Share Capital by canceling the above shares.

6.7. The shareholders of the Company shall:

- pay timely and in full for the shares they acquire, which have been allotted by the Company in the order established by the Articles;

- abide by the Articles of Association; fulfill the resolutions of the Company's management;

- not disclose confidential information on the Company activities, the list of which is drawn up by the Board of Directors; abstain from all other activities, which incur or may incur losses to the Company.

The shareholders shall bear the risks of losses related to the Company's activities in proportion with the value of their shares.

The shareholders shall timely inform the Registrar on all the changes in their personal data included in the register.

If the changes in a shareholder's personal data are not provided, the Company shall not be held responsible for the losses incurred to him by the Company's inability to pay dividend or provide him with information.

Article 6(1). Acquisition of more than 30 per cent of the Company's shares

6(1).1. The person, who intends to acquire more than 30 percent of the Company's ordinary shares, taking into account the number of the shares held by him or his affiliated persons, shall have the right to submit to the shareholders of the Company a written notice on the intention to acquire the Company's shares belonging to them (hereinafter referred to as a voluntary offer).

The voluntary offer shall be considered to be made to all the shareholders of ordinary shares at the day of its submittal to the Company.

The voluntary offer and the period of time for its acceptance shall meet the provisions stipulated in Clause 84.1 of the Federal Law on Joint Stock Companies.

The person, who has made the voluntary offer, shall not have the right to acquire the shares, which the voluntary offer have been made for on other conditions until the expiration of that offer.

6(1).2. The person, who has acquired more than 30 per cent of the total number of the Company's ordinary shares, taking into account the number of the shares held by him or his affiliated persons, shall submit to the shareholders holding the rest of the shares an offer (hereinafter referred to as a mandatory offer) on acquiring their Company's shares within 35 days from the day of obtaining the written notification on his personal account (custody account) or

from the moment when this person have found out or should find out that he, independently or together with his affiliated persons, owns the above number of such shares.

The mandatory offer shall be considered to be made to all the shareholders of the ordinary shares at the day of its submittal to the Company.

The person, who has made the mandatory offer, shall not have the right to acquire the shares, to which the mandatory offer has been made, on other conditions until the expiration of that offer.

The mandatory offer and the period of time for its acceptance shall meet the provisions stipulated in Clause 84.2 of the Federal Law on Joint Stock Companies.

The cost of the securities acquired on the mandatory offer shall be determined in accordance with Subclause 4 of Article 84.2 of the Federal Law on Joint Stock Companies. From the moment of the acquisition of more than 30 per cent of the total number of the ordinary shares of the Company and to the date of submitting the mandatory offer to the Company, which meets the provisions of this Article, the person mentioned Subclause 2 of this Article and his affiliated persons shall have the right to vote using only 30 per cent of these shares. The rest of the shares held by this person and his affiliated persons are not considered as voting shares and may not be counted in determining a quorum.

The regulations of this Subclause shall also refer to the acquisition of more than 50 and 75 per cent of the total number of the Company's shares. In this instance, the restrictions set by Paragraph 5 of this Subclause shall refer only to the acquisition of newly acquired shares exceeding the appropriate percentage.

The provisions of this Subclause shall not apply in cases stipulated in Subclause 8 of Clause 84.2 of the Federal Law on Joint Stock Companies.

6(1).3. Forwarding the voluntary or mandatory offer to the shareholders shall be effected through the offices of the Company. After submitting the voluntary or mandatory offer to the Company, the person, who submitted the above offer, may inform the shareholders on this offer by any other means.

After the receipt of the voluntary or mandatory offer by the Company, the Company Board of Directors shall pass a resolution concerning recommendations on this offer, an estimate of the offered price for acquiring the shares and a possible change in their market price after their acquisition, and consider the plans of the person, who submitted voluntary or mandatory offer, towards the Company and its employees.

Within 15 days from the date of the receipt of the voluntary or mandatory offer, the Company shall forward this offer and the recommendations of the Board of Directors to all the shareholders, whom this offer has been addressed to, in the order stipulated in Clause 7.10 of the Articles on convening the Meeting of Shareholders. If, there is a nominee shareholder in the register of shareholders of the Company, the above offer and recommendations shall be forwarded to the nominee shareholder, who shall forward them to the persons on behalf of whom he holds the securities.

The list of the holders of the shares to be acquired shall be drawn up in accordance with the register of shareholders information valid as on the day of submittal the voluntary or mandatory offer to the Company.

Alongside with forwarding the voluntary or mandatory offer to the shareholders, the Company shall forward the recommendations of the Board of Directors of the Company to the person, who submitted the offer.

The expenses of the Company related to the execution of its duties stipulated in Subclauses 1 and 2 of this Article shall be reimbursed by the person, who has forwarded the voluntary or mandatory offer.

The shareholders, whom the voluntary or mandatory offer have been made to, may accept it by sending notification on the sale of the shares at the postal address specified in the voluntary or mandatory offer or, if it is provided in the offer, personally submit this notification at the address specified in the voluntary or mandatory offer. The notification on the sale of the shares shall comply with Subclause 4 of Clause 84.3 of the Federal Law on Joint Stock Companies.

6(1).4. If the voluntary or mandatory offer or agreement on the purchase of the shares

concluded on the grounds of the voluntary or mandatory offer do not comply with Clauses 84.1 and 84.2 of the Federal Law on Joint Stock Companies, the former owner of the securities shall have the right to request from the person, who has forwarded such an offer, compensation for the losses incurred by this offer.

6(1).5. The person, who has submitted the voluntary or mandatory offer, shall have the right to increase the purchase price and/or reduce the payment period for the acquisition of the shares in accordance with Clause 84.4 of the Federal Law on Joint Stock Companies.

6(1).6. After the submittal of the voluntary or mandatory offer to the Company, any person shall have the right to submit another voluntary offer (hereinafter referred to as a competing offer) for the acquisition of corresponding shares, but not later than 25 days prior to the expiration of the acceptance period of the last offer submitted to the Company.

The competing offer forwarded before the expiration of the acceptance period of the voluntary offer shall comply with Clause 84.1 of the Federal Law on Joint Stock Companies, while the competing offer forwarded before the expiration of the acceptance period of the mandatory offer shall comply with Clause 84.2 of the Federal Law on Joint Stock Companies. Upon the receipt of the competing offer to the shareholders, the Company shall forward it to the persons, who have previously submitted the voluntary or mandatory offer and for whom the above offer is competitive.

6(1).7. After the receipt of the voluntary or mandatory offer by the Company, resolutions on the issues stipulated in Subclause 1 of Clause 84.6 of the Federal Law on Joint Stock Companies shall be passed only by the Meeting of Shareholders of the Company.

The deal of the Company, which violates the provisions of this Subclause, may be held void on the complaint filed by the Company, a shareholder or person, who has submitted the voluntary or mandatory offer.

Article 6(2). The redemption of the Company's shares by the person, who has acquired more than 95 per cent of the Company's shares at the request of their owners; the redemption of the Company's shares at the request of the person, who has acquired more than 95 per cent of the Company's shares

6(2).1. The person, who according to voluntary or mandatory offer, has become the holder of more than 95 per cent of the whole number of the Company shares including the shares that he or his affiliated persons already owned shall buy all the remaining shares of the Company belonging to other persons at their request.

6(2).2. The person mentioned in Subclause 1 of this Article shall forward notification on the right to request the buyout of the rest of the shares to the shareholders within 35 days from the date of the purchase of the above number of the shares.

The notification on the right to request the purchase of the rest of the shares shall meet the provisions stipulated in Subclauses 2 and 3 of Clause 84.7 of the Federal Law on Joint Stock Companies.

The notification on the right to request the purchase of the rest of the shares shall be forwarded to the Company. The Company shall send the received notification to the shareholders in the order stipulated in Subclause 2 of Clause 84.3 of the Federal Law on Joint Stock Companies.

6(2).3. The shareholders' request to buy the rest of the shares belonging to them may be submitted not later than 6 months from the date of forwarding the notification on the right to request the purchase of these shares.

6(2).4. The person mentioned in Subclause 1 of this Article shall pay for the shares described in this Article within 15 days from the date of the shareholders' submittal of the request to buy their shares.

The purchase of the shares shall be made at a price, which is stipulated in Subclause 4 of Clause 84.2 and Subclause 6 of Clause of 84.7 of the Federal Law on Joint Stock Companies.

6(2).5. Instead of the execution of the liabilities stipulated in Subclauses 1 – 4 of this Article, the person mentioned in Subclause 1 of this Clause shall have the right to forward to the

Company the request to buy the shares according to Subclause 6(2).6 of this Article. Thereby, this person shall fulfill the shareholders' request to buy the rest of the shares belonging to them according to Clause 84.8 of the Federal Law on Joint Stock Companies.

6(2).6. The person mentioned in Subclause 1 of this Clause shall have the right to buy the shares belonging to the Company's shareholders.

The request to buy the shares may be submitted within 6 months from the expiration of the voluntary offer on the purchase of all the Company's shares or mandatory offer, if the acceptance of the voluntary or mandatory offer has resulted in the purchase of not less than 10 per cent of all the Company shares.

The request on the purchase of the shares shall be forwarded to the holders of the shares via the Company.

The content of the request for the purchase of the shares shall comply with the provisions of Subclauses 2 – 4 of Clause 84.8 of the Federal Law on Joint Stock Companies.

6(2).7. The Company shall send then the submitted request for the purchase of the shares to the shareholders as per Subclauses 2 of Clause 84.3 of the Federal Law on Joint Stock Companies, the Company's registrar and if the shares to be acquired is subject to pledge or other encumbrance – to the pledgee or other person in whose interest the encumbrance has been effected.

The expenses incurred by the Company and registrar shall be reimbursed by the person, who has submitted the request for the acquisition of the shares.

6(2).8. The purchase of the shares shall be made at a price not less than the market one, which shall be determined by an independent appraiser. However, this price may not be less than the price stipulated in Subclause 4 of Clause 84.8 of the Federal Law on Joint Stock Companies.

The shareholder who has not agreed on the selling price of the shares may seek arbitration court action to recover the losses incurred by the improper determination of the share selling price. This court action shall be taken within six months from the day when this shareholder has been notified on writing off of his shares from his personal account (custody account). Bringing the case before the arbitration court may not be sufficient grounds for the suspension of the purchase of the shares or considering it void.

6(2).9. The Company shall submit the list of the shareholders whose shares will be sold to the person mentioned in Subclause 6(2).6 of this Clause within 14 days from the day when this list has been made.

The list of the shareholders whose shares will be sold is drawn up according to the information contained in the share register of the Company valid on the date mentioned in the request on buying the shares.

The nominee shareholder shall submit the data on the persons on whose behalf he owns the shares.

6(2).10. The shareholder whose shares will be purchased may forward to the person who has submitted the request to buy them a notification containing the bank details where the payment for the shares shall be sent or the address where the postal money order for the purchased shares shall be sent at. The notification shall be considered to be sent on time if it is received by the person who submitted the request to buy shares not later than the day when the list of the shareholders, whose shares will be bought, is made and not later than the date stipulated in the request for the purchase of the shares.

The person who submitted the request for buying the shares shall pay for the shares according to the bank details or the address mentioned in the notifications of the shareholders included in the list of the shareholders whose shares will be bought, which has been drawn up on the day mentioned in the request on the purchase of the shares.

If the person who has made the request to buy the shares has not received the notifications from these shareholders on the stipulated date or if the notifications do not contain proper information on bank details or postal address for postal money order, he shall transfer the payment for these shares to the deposit of a notary office placed at the Company location. If the nominee shareholder does not provide the necessary information on the persons on whose behalf he holds the shares, the person who has submitted the request to buy the shares shall transfer the payment for these shares

to the nominee shareholder. Transferring the payment to the nominee shareholder shall be considered as a properly fulfilled obligation.

The registrar shall write off the purchased shares from the personal accounts of their previous owners and personal accounts of the nominee shareholders and shall transfer them to the personal account of the person who has submitted the request to buy the shares within three days from the date on which he has submitted the documents proving the payment for the shares. Writing off the shares from the personal account of the nominee shareholder in the order stipulated by this Subclause shall be considered to be the grounds for making the record on the termination of the rights to these securities on the custody account of the client (depositor) without the instruction of the latter.

Article 7. GENERAL MEETING OF SHAREHOLDERS

7.1. The General Meeting of Shareholders shall be the supreme management body of the Company.

7.2. The following issues shall be within the jurisdiction of the Shareholders' Meeting:

1) amendments to the Articles of Association of the Company or any new versions of the Company's Articles;

2) reorganization of the Company;

3) liquidation of the Company, appointment of the liquidation commission and approval of interim and final liquidation balance sheets;

4) determination of the amount, par value, category (type) of the declared shares and the rights granted by these shares;

5) increase in the Share Capital by an increase in the par value of the shares or by allotment of additional shares;

6) decrease in the Share Capital by a decrease in the par value of the shares by acquiring a portion of shares by the Company for the purpose of reduction of their total quantity, as well as by retirement of shares acquired or repurchased by the Company;

7) determination of the number of the Board of Directors of the Company, election of members of the Board of Directors and early termination of their powers;

8) determination of remuneration and/or compensation payable to members of the Board of Directors for their expenses incurred within the period of performing their duties as members of the Board of Directors;

9) election of members of the Audit Commission, early termination of their powers;

10) determination of remuneration to members of the Audit Commission and/or compensation for expenses related to the performance of their duties;

11) approval of the Company's Auditor;

12) approval of annual reports, annual financial statements, including the profit and loss statement of the Company;

13) payment (announcement) of dividends based on the results of the first quarter, half year and nine months of the financial year;

14) distribution of profit (including payment (announcement) of dividend except for the profit distributed as dividend based on the results of the first quarter, half year and nine months of the financial year) and losses based on the results of the financial year;

15) consolidation and split of the shares;

16) approval of interested-party transactions in cases stipulated in the Federal Law on Joint Stock Companies;

17) approval of major transactions involving direct or indirect acquisition or sale of assets by the Company, which exceeds 50 per cent of the book value of the Company's assets determined by its balance statements of the last reporting date according to the Subclause of the Articles;

18) approval of major transactions involving direct or indirect acquisition or sale, or possible sale of assets by the Company which value varies from 25 to 50 per cent of the book value of the

Company's assets determined by its balance statements of the last reporting date, if the Board of Directors is unable to reach unanimously on the above transactions;

19) determination of the rules for the conduction of the Meeting of Shareholders, including approval of the Regulations on the General Meeting of Shareholders;

20) election of members of the Counting Commission and early termination of their powers;

21) acquisition of outstanding shares by the Company according to Subclause 5.9 of the Articles;

22) decisions on participation in financial and industrial groups, associations and other unions of commercial organizations;

23) approval of internal regulations governing the activities of the Company's bodies;

24) other issues stipulated in the Federal Law on Joint Stock Companies.

The issues, assigned to the competency of the Meeting of Shareholders may not be referred to the management bodies of the Company for a decision.

The issues, assigned to the competency of the Meeting of Shareholders may not be referred to the Board of Directors for a decision (except for the cases stipulated in the Federal Law on Joint Stock Companies and the Articles of Association of the Company).

The Meeting of Shareholders may not resolve and decide on the issues which are not assigned to its competency by the Articles.

7.3. Each year, the Company shall hold one Annual Meeting of Shareholders. The Annual Meeting of Shareholders shall be held not earlier than two months and not later than six months after the end of the financial year. The Annual Meeting of Shareholders shall resolve the issues specified in Subclauses 7), 9), 11), 12), 14) of Clause 7.2 of the Articles of Association, it may also decide on the issues, assigned to the competency of the Meeting of Shareholders. The date and the agenda of the Annual Meeting of Shareholders shall be determined by the Board of Directors.

Apart from the Annual Meeting of Shareholders, other Meetings of Shareholders shall be considered to be extraordinary.

7.4. The Extraordinary Meeting of Shareholders shall be held by decision of the Company's Board of Directors on its own initiative or at the request of the Audit Commission, the Company's Auditor or the shareholders, who hold at least 10 per cent of the Company's voting shares on the date of such a request.

Convening the Extraordinary Meeting of Shareholders at the request of the Audit Commission, the Company's Auditor or the shareholder(s) holding at least 10 per cent of the Company's voting shares shall be performed by the Board of Directors. The Extraordinary Meeting of Shareholders shall be held within 40 days from the date of submitting the request on holding the Extraordinary Meeting of Shareholders.

If the proposed agenda of the Extraordinary Meeting of Shareholders has the issue on election of members of the Board of Directors, the Meeting of Shareholders shall be held within 70 days from the day of submitting the request on holding the Extraordinary Meeting of Shareholders.

The request on convening the Extraordinary Meeting of Shareholders shall contain issues to be included into the agenda.

The request on convening the Extraordinary Meeting of Shareholders may contain draft resolutions for each of these issues as well as a proposal on the form of holding the Meeting of Shareholders. If the request on convening the Extraordinary Meeting of Shareholders includes proposals on nominating candidates, this proposal shall be regulated by Clause 7.6 of the Articles.

If the request on convening the Extraordinary Meeting of Shareholders is made on the initiative of the shareholder(s), it shall contain the name (title) of the shareholder(s) who request to convene the Extraordinary Meeting of Shareholders, the amount and category (type) of the shares that belong to them.

The request on convening the Extraordinary Meeting of Shareholders shall be signed by the persons who require its convocation.

The Board of Directors shall have no right to introduce changes into the worded issues of the agenda, draft resolutions on these issues and alter the proposed form of holding the Meeting of

Shareholders, convened at the request of the Audit Commission, Company's Auditor and the shareholder(s) holding not less than 10 per cent of the Company's voting shares in total.

If the request on convening the Extraordinary Meeting of Shareholders, which has been made by the shareholder(s), Audit Commission or Company's Auditor does not include the draft resolutions on the issues of the agenda of the Extraordinary Meeting of Shareholders or the form of holding the Extraordinary Meeting of Shareholders, the Board of Directors of the Company shall have the right to make draft resolutions on the issues of the agenda of the Extraordinary Meeting of Shareholders and shall propose the form of its holding.

At the request of the Audit Commission, Company's Auditor or shareholder(s) holding not less than 10 per cent of the Company's voting shares in total, the resolution on convening the Extraordinary Meeting of Shareholders or refusal to convene the Extraordinary Meeting of Shareholders shall be passed by the Board of Directors of the Company within 5 days from the date of the submittal of the above request. The resolution of the Board of Directors on convening the Extraordinary Meeting of Shareholders or reasoned refusal to convene it shall be forwarded to the persons requested the convening of the Extraordinary Meeting of Shareholders within 3 days from the date of passing this resolution.

The Board of Directors shall have the right to pass a resolution to refuse the convening of the Extraordinary Meeting of Shareholders, which has been requested by the Audit Commission, Company's Auditor or shareholder(s) holding not less than 10 per cent of the Company's voting shares, if:

- the procedure for making the request on convening the Meeting of Shareholders covered in this Article have not been observed;
- the procedure for submitting the request on convening the Extraordinary Meeting of Shareholders stipulated in this Clause and/or Paragraph 2 of Clause 6(1).2 of the Articles has not been observed;
- the shareholder(s) requesting the convening of the Extraordinary Meeting of Shareholders do not hold 10 and more per cent of the Company's voting shares as on the date of submitting the request;
- none of the issues proposed for the agenda of the Extraordinary Meeting of Shareholders fall under the competency and/or do not meet the requirements of the Federal Law on Joint Stock Companies and other legal acts of the Russian Federation.

If within the term established by this Clause the Company's Board of Directors does not take a resolution to convene the extraordinary general meeting of shareholders or takes a resolution on refusal to convene such a meeting, the Company's body or persons who claim its convocation are entitled to file in court a request on compelling the Company to hold the extraordinary general meeting of shareholders.

7.5. During the preparation for holding the Meeting of Shareholders, the Board of Directors or the persons convening the Meeting of Shareholders in the event stipulated by the last Paragraph of Clause 7.4 shall determine the following:

- meeting format of the Meeting of Shareholders (joint attendance or absentee voting);
- the date, place, time of holding the Meeting of Shareholders, when, in accordance with Subclause 3 of Article 60 of the Federal law on Joint Stock Companies, the filled in ballots are to be submitted to the Company, the postal address which the filled in ballots are to be sent at, or if the Meeting of Shareholders is held in the format of absentee voting, the closing date for casting voting ballots and the postal address which the filled in ballots are to be forwarded to;
- the time of starting the registration of the persons entitled to participate in the Meeting of Shareholders conducted in the format of joint attendance;
- the agenda of the Meeting of Shareholders;
- the date and time of drawing up the list of the persons entitled to participate in the Meeting of Shareholders;
- the procedure of informing the shareholders on holding the Meeting of Shareholders;
- list of information items (materials) to be provided to the shareholders by way of preparation for the Meeting of Shareholders;

- the form and text of voting bulletins in case of ballot voting.

7.6. Within 60 days after the end of the financial year, the shareholder(s) of the Company holding at least 2 per cent of the Company's voting shares in total shall have the right to propose issues for the agenda of the Meeting of Shareholders and nominate candidates to the Board of Directors, Audit Commission and the Counting Commission of the Company, whose number shall not exceed the number of members of the respective body set on the date of nominating candidates.

If the Agenda of the Extraordinary Meeting of Shareholders includes considering the issue of the election of members of the Board of Directors, the shareholder(s) of the Company holding at least 2 per cent of the Company's voting shares in total, shall have the right to propose the candidates to the Board of Directors, whose number shall not exceed the number of members of this body set on the date of nominating candidates. The above shareholders' proposals shall be submitted to the Company not later than 30 days before the date of holding the Extraordinary Meeting of Shareholders.

If the agenda of the Extraordinary Meeting of Shareholders includes considering the issue of the election of the members of the Audit Commission, the shareholders of the Company holding at least 2 per cent of the Company's voting shares in total, shall have the right, within the period determined by the Board of Directors, to nominate candidates for the Audit Commission, whose number shall not exceed the number of members of the respective body.

The proposal on including issues into the agenda of the Meeting of Shareholders and the proposal on nominating candidates shall be submitted in written form and specify the name (title) of shareholders, who have submitted them, the amount and category (type) of shares they hold, and these proposals shall be signed by shareholder(s) or by their proxies (the letters of attorney or copies of such letters should be attached).

The proposal on adding issues to the agenda shall include the proposed worded issues and may also contain draft resolutions on every proposed issue. The proposal to nominate candidates shall contain the name of every proposed candidate and details (series and (or) number, date and place of issuance, issuing body) of identity documents on each proposed candidate, the name of a body the candidate is proposed to be elected to and number and category (type) of the Company's shares owned by the candidates, and other related information provided by the Company's Articles of Association and other internal documents. The nomination of candidates may be done without the submittal of their written consent on their nomination. In this case the shareholder(s) proposal for nominating the candidate(s) shall specify that these candidates agree to their nomination and the respective written consent on nominating them for the candidates shall be submitted to the Company not later than 30 days before the date of holding the Meeting of Shareholders. The Board of Directors shall pass a resolution on including the proposed issues into the agenda of the Meeting of Shareholders or refusal to do so within 5 days from the end of the period set by Paragraphs 1 -3 of this Clause.

The Board of Directors shall pass the resolution on including the proposed issues into the agenda as well as the proposed candidates into the list of candidates for electing them to the respective Company's body, except for the following:

- the shareholder(s) have not observed the period of time set by Paragraphs 1 and 3 of this Clause;
- the shareholder(s) do not hold the amount of voting shares of the Company specified by this Clause;
- the proposal does not comply with the requirements specified in Subclauses 4, 5 and 6 of this Clause;
- the issue proposed for the agenda of the Meeting of Shareholders does not fall under its competency and/or does not meet the requirements of the Federal Law on Joint Stock Companies and other legal acts of the Russian Federation.

The reasoned resolution on refusal to include the proposed issue into the agenda or include a candidate into the list of candidates for the respective Company's body shall be submitted to the shareholder(s), who has proposed the issue or candidates, within 3 days from the date of passing the resolution.

Should the Company's Board of Directors resolve not to include the proposed item into the agenda of the general Meeting of Shareholders or a candidate for the list of candidates for election to the respective body of the Company or should the Company's Board of Directors fail to pass such resolution, the shareholder may apply to the court for forcing the Company to include the proposed item into the agenda of the general Meeting of Shareholders or the candidate on the list of candidates for election to the respective body of the Company.

7.7. The Board of Directors shall have no right to introduce changes into the wording of the issues proposed for the agenda of the Meeting of Shareholders and the draft resolutions on such issues. When passing the resolution on the inclusion of the issue proposed by the shareholders into the agenda of the Meeting of Shareholders or later on when considering draft resolutions submitted for the approval of the Meeting of Shareholders, the Board of Directors of the Company shall have the right to make a draft resolution on the issue if the shareholders' issue to be included into the agenda does not have a draft resolution.

In addition to the issues proposed for the agenda of the Meeting of Shareholders by the shareholders and in cases of the absence of issues, no proposed candidates or insufficient number of candidates proposed by the shareholders to form the respective body, the Company's Board of Directors shall have the right to include issues into the agenda and enter candidates into the list of candidates at their discretion.

The issues covered in Sub-articles 7), 9), 11), 12), 14) of Clause 7.2 of the Articles shall be included into the agenda of the annual Meeting of Shareholders.

7.7.1. If the proposed agenda includes the issue on reorganization of the Company through its merger, separation or demerger, the shareholder(s) holding at least 2 per cent of the voting shares of the Company have the right to propose candidates for the Board of Directors of a company to be established, its collegial executive body, audit commission or a candidate for the audit commission, while their number may not exceed the number of a respective body and which shall be announced in the notification on convening the Meeting of Shareholders of the Company according to draft Articles of Association, they also may propose a candidate for the single executive of a company to be established.

If the proposed agenda of the Meeting of Shareholders has the issue on reorganization of the Company through merger, the shareholder(s) holding at least 2 per cent of the voting shares of the Company shall have the right to propose candidates for the Board of Directors of a company to be established through merger, whose number may not exceed the number of members of the Board of Directors that has been specified in the notification on convening the Meeting of Shareholders according to the merger agreement.

Proposals on nominating candidates shall be submitted to the Company not later than 45 days prior to the Meeting of Shareholders.

7.8. The list of the persons entitled to participate in the Meeting of Shareholders shall be made up on the information (as on the date set by the Board of Directors) contained in the register of shareholders.

The date of drawing up the list of the persons entitled to participate in the Meeting of Shareholders shall not be set:

prior to the date of passing the resolution on holding the Meeting of Shareholders;

more than 50 days prior to the date of holding the Meeting of Shareholders and in the event covered in Paragraph 2, Sub-article 7.6 of the Articles – more than 85 days prior to the date of holding the Meeting of Shareholders;

less than 35 days before the date of holding the Meeting of Shareholders, which quorum and voting shall be made by the ballots submitted to the Company in accordance with Paragraph 2 of Subclause 1 of Clause 5.8 of the Federal law on Joint Stock Companies.

The list of the persons entitled to participate in the Meeting of Shareholders may be altered after the restoration of the right of the persons, whose rights to participate in the Meeting have been breached or after the correction of the mistakes made during drawing up of the above list.

7.9. The Company shall provide the list of the persons entitled to participate in the Meeting of Shareholders at the request of the persons holding at least 1 per cent of the Company's votes and

included into the list. In this event, the information provided in the documents and the postal addresses of physical persons included into this list shall be provided only on a written consent from these persons.

At the request of any interested person, the Company shall provide the excerpt from the list of the persons entitled to participate in the Meeting of Shareholders containing the information on this person or the statement that this person is not included into the list of the persons entitled to participate in the Meeting of Shareholders.

7.10. The shareholders shall be informed on convening the Meeting of Shareholders:

1) when the number of the holders of the voting shares of the Company is less than 1000 persons - by publishing the notification in the newspapers '*Izvestiya*' or '*Sovetskaya Belorussiya*' and sending written notification to the shareholders – owners of more than 1 per cent of the Company's voting shares;

2) when the number of the shareholders holding the voting shares of the Company is 1000 persons and more - by publishing the notification in the newspapers '*Izvestiya*' or '*Sovetskaya Belorussiya*' and sending written notification to the shareholders – owners of more than 1 per cent of the Company's voting shares, and in case of concurrent sending voting ballots to the persons entitled to participate in the Meeting of Shareholders in accordance with Subclause 7.21 of the Articles – only by notifying the persons included into the list of the persons entitled to participate in the Meeting of Shareholders by registered mail or by submitting the notice against signature.

The Company may additionally inform the shareholders on convening the Meeting of Shareholders by other means of mass media (television, radio, the Internet).

If it is not feasible to publish the notification on holding the Meeting of Shareholders in the newspaper '*Izvestiya*', the Company shall forward the notification by registered mail or deliver it against signature to the persons included into the list of the persons entitled to participate in the Meeting of Shareholders and registered (residing) in the territory of the Russian Federation.

If it is not feasible to publish the notification on holding the Meeting of Shareholders in the newspaper '*Sovetskaya Belorussiya*', the Company shall forward the notification by registered mail or deliver it against signature to the persons included into the list of the persons entitled to participate in the Meeting of Shareholders and registered (residing) in the territory of the Republic of Belarus.

The Company shall inform (publish, forward by registered mail or deliver against signature) the notification on holding the Meeting of Shareholders not later than 20 days prior to the date of holding it, and if the agenda of the Meeting of Shareholders includes the issue on reorganization of the Company – not later than 30 days prior to the date of holding it.

In the cases specified in Paragraph 2 of Clause 7.6 and Subclause 7.7.1 of Clause 7.7 of the Articles, the notification on holding the Extraordinary Meeting of Shareholders shall be made not later than 70 days prior to the date of holding it.

7.11. The notification on holding the Meeting of Shareholders shall include the following:

- the full commercial name and location of the Company;
- the format of holding the Meeting of Shareholders (joint attendance or absentee voting);
- the time of starting the registration of the persons entitled to participate in the Meeting of Shareholders conducted in the format of joint attendance;
- the date, place and time of holding the Meeting of Shareholders;
- the postal address to which the filled in ballots determining the quorum and tally of votes shall be sent according to Clause 3 of Article 60 of the Federal Law on Joint Stock Companies;
- the closing day for the submittal of the voting ballots and if the Meeting of Shareholders is held in the format of absentee voting, the postal address where the filled ballots are to be sent to;
- the date of drawing up the list of the persons entitled to participate in the Meeting of Shareholders;
- the agenda of the Meeting of Shareholders;
- the procedure of submitting the shareholders with the information items (materials) to be provided to the shareholders by way of preparation for holding the Meeting of Shareholders and the address (addresses) where this information will be available.

The information (materials) to be provided to the persons entitled to participate in the Meeting of Shareholders, while preparing for holding the Meeting of Shareholders shall include the annual report of the Company, the annual accounting reporting, the Audit Commission and Auditor's conclusion on the results of the inspection of the annual accounting reporting of the Company, recommendations of the Board of Directors on distribution of profits, including the amount of the dividend on the Company's shares and its payment procedure, the Company's losses according to the results of the financial year, the information on candidates to the Board of Directors, and the Audit Commission of the Company, draft amendments (new edition) to the Articles of Association of the Company, draft internal documents of the Company, draft resolutions of the Meeting of Shareholders, the information on the shareholders' agreements made during the year before the date of holding of the General Meeting of Shareholders as stipulated by Clause 5 of Article 32.1 of the Federal Law "On Joint-Stock Companies", and other information (materials) specified in the Articles.

According to the Board of Directors resolution, the shareholders shall receive voting ballots together with the notification on holding the Meeting of Shareholders in accordance with Subclause 7.21 of the Articles.

The Company shall grant access to the information items (materials) specified by this Clause to the persons entitled to participate in the Meeting of Shareholders 20 days prior to the date of holding the Meeting of Shareholders and in the event of holding the Meeting of Shareholders with the agenda including the issue on the Company reorganization – not later than 30 days prior to the date of holding the Meeting of Shareholders and which may be obtained in the premises of the executive body of the Company or other locations specified in the notification on holding the Meeting of Shareholders.

The information items (materials) specified in this Clause shall be available for the persons participating in the Meeting of Shareholders at the time of holding the Meeting.

At the request of the person entitled to participate in the Meeting of Shareholders, the Company shall provide him with chargeable copies of the documents specified in this Clause. The fee for the copies of the documents may not exceed the cost of their preparation.

7.12. The right to participate in the Shareholders Meeting may be exercised by the shareholder in person or by proxy.

The shareholder shall have the right to change his proxy at the Meeting of Shareholders or personally participate in the Meeting of Shareholders.

The shareholder's proxy shall act to the extent of the authority provided for in the wording of the federal laws or the acts of the competent governmental or local authorities, or a written power of attorney. The power of attorney for voting shall include the information about the shareholder and his representative (for a physical person – his name, the data from the document proving his identity (series and (or) number of the document, date and place of its issuance, body issued the document; for a legal entity – its name, information on its location). The power of attorney for voting shall be drawn up in accordance with the requirements of Paragraphs 4 and 5 of the Article 185 of the Civil Code of the Russian Federation or certified by a notary.

7.13. The Meeting of Shareholders shall be authorized (form a quorum) if it is attended by the shareholders holding in the aggregate more than half of the outstanding voting shares of the Company.

The shareholders registered to participate in the Meeting of Shareholders and the shareholders whose ballots have been received by the Company at least two days prior to the date of the Shareholders Meeting, shall be deemed to have participated in the Meeting.

In the event the Meeting of Shareholders is held in the format of absentee voting, the shareholders, whose ballots have been received prior to the deadline for the receipt of the ballots, shall be deemed to have participated in the Meeting.

The determination of the quorum for passing resolutions on the issues of the agenda of the Meeting of Shareholders shall be made separately when voting on the issues is performed by a different number of voters.

In the absence of a quorum for holding the Annual Meeting of Shareholders, the rescheduled Meeting of Shareholders shall be convened with the same agenda.

The rescheduled Meeting of Shareholders shall be authorized (make a quorum) if attended by the shareholders holding in the aggregate at least 30 per cent of the outstanding voting shares of the Company.

The notification on holding the rescheduled Meeting of Shareholders shall be made according to the procedure specified in Subclause 7.10 of the Articles, while the provision of the last Paragraph of Subclause 7.10. of the Articles shall not apply.

In the event the rescheduled Meeting of Shareholders is held earlier than 40 days after the date of the cancelled Meeting, the persons entitled to participate in the rescheduled Meeting of Shareholders shall be determined in accordance with the list of the persons entitled to participate in the cancelled Meeting.

7.14. The Meeting of Shareholders shall be conducted by the Chairman of the Board of Directors and, in the event of his absence, a member of the Board of Directors designated by the Board of Directors. If the members of the Board of Directors are absent or refuse to take the chair, the Meeting of Shareholders shall designate one of the shareholders to act as the Chairman.

The manner of holding the Meeting of Shareholders shall be determined by the Meeting of Shareholders and the Regulations for the General Meeting of Shareholders.

7.15 The Meeting of Shareholders may not pass resolutions on the issues which are not included into the agenda of the Meeting of Shareholders or cannot change the agenda of the Meeting.

7.16. If it is not feasible to finish the Meeting of Shareholders during one day session, the Chairman shall adjourn the Meeting until the next morning.

7.17. A resolution of the Meeting of Shareholders may be adopted without holding the Meeting (without joint attendance of the shareholders for discussing the agenda issues and passing resolutions on the issues put to the vote) by absentee voting.

In the event the agenda of the Meeting of Shareholders includes the issues specified in Subclauses 7), 9), 11), 12), 14) of Clause 7.2 of the Articles, the Meeting shall not be held in the format of absentee voting.

For the absentee voting, the voters shall use the absentee ballots following the procedure specified in the Articles and Regulations for the General Meeting of Shareholders.

7.18. Resolutions of the Meeting of Shareholders shall be passed by voting based on the 'one share – one vote' principle (except for cumulative voting for the members of the Board of Directors).

The resolution of the Meeting of Shareholders on the issue put to voting shall be passed by a majority vote of the shareholders holding the Company's voting shares and present at the Meeting of Shareholders, if not specified otherwise by the Federal law on Joint Stock Companies and the Articles. The resolutions on the issues specified in Subclauses 1), 2), 3), 4), 17), 21) of Clause 7.2 of the Articles shall be passed by a three fourths majority vote of the shareholders holding the Company's voting shares and participate in the Meeting of Shareholders.

7.19. The resolution on the issues specified in Subclauses 2), 5), 12), 14), 15), 16), 17), 18), 21), 22), 23) of Clause 7.2 of the Articles shall be passed by the Meeting of Shareholders only on the proposal of the Board of Directors.

7.20. The voting on the agenda items at the Meeting of Shareholders is effected only by voting ballots.

7.21. If the Meeting of Shareholders is held in the format of absentee voting and holding the Meeting of Shareholders when the number of owners of the Company's voting shares exceed 1000 shares and more, the Company shall send the voting ballots by registered mail to all the persons entitled to participate in the Meeting of Shareholders not later than 20 days prior to the Meeting of Shareholders.

When the Meeting of Shareholders is held, the persons included into the list of persons entitled to participate in the Meeting of Shareholders shall have the right to participate in the Meeting or send filled in voting ballots.

When determining the quorum and the tally of votes, only the votes represented by voting ballots and received by the Company not later than 2 days prior to the Meeting of Shareholders shall be counted.

The form and text of the voting ballots shall be approved by the Board of Directors in accordance with the requirements of the applicable laws.

7.22. The Counting Commission shall examine the competences and register the persons participating in the Meeting of Shareholders, determine the quorum of the Meeting of Shareholders, count the votes and conduct the tally of votes, make a record of the voting results and place the voting ballots in the archive.

The number of members and members for the Counting Commission shall be approved by the Meeting of Shareholders. The number of the members of the Counting Commission may not be less than three persons. The members of the Board of Directors, members of the Audit Commission, members of the Company's management, the President and candidates for the above positions may not take part in the Counting Commission.

When the number of the owners of the Company's voting shares exceeds 500, the functions of the Counting Commission shall be performed by the Registrar.

If the term of office of the Counting Commission has expired or the number of its members has become less than 3 persons and if less than 3 persons are present to fulfill their duties in the Counting Commission, the Registrar shall perform the functions of the Counting Commission.

The counting of votes shall be performed in accordance with the law, the Articles and the Regulations for the General Meeting of Shareholders.

The Counting Commission shall draw up the protocol(s) for the voting results according to the voting results on every agenda item not later than 3 business days after the completion of the Meeting of Shareholders or after the closing date for accepting the voting ballots if the Meeting of Shareholders has been held in the format of absentee voting.

If the protocol(s) of the voting results for the agenda items are drawn up before the end of the Meeting of Shareholders, the protocol(s) shall be announced by the Counting Commission at the Meeting of Shareholders.

7.23. The Secretary of the Meeting of Shareholders shall take minutes of the Meeting of Shareholders, manage the Meeting of Shareholders and the presidium of the Meeting, and manage questions and requests for taking the floor from the shareholders.

The minutes of the Shareholders Meeting shall be drawn up in two copies within 3 business days after the end of the Meeting of Shareholder, shall be signed by the Chairman and the Secretary of the Meeting, and certified by the Company seal.

The minutes of the Meeting of Shareholders shall be drawn up in accordance with the current laws of the Russian Federation and the Regulations for the General Meeting of Shareholders.

7.24. The resolutions passed at the Meeting of Shareholders and the results of voting on the agenda items shall be announced at the Meeting of Shareholders at which the voting has been held or shall be communicated to the persons, which are included into the list of persons entitled to participate in the Meeting of Shareholders, by publishing the notice in the newspapers '*Izvestiya*' and '*Sovetskaya Belorussiya*' and by written notification of the shareholders holding more than 1 per cent of the Company's voting shares, which shall be done not later than 10 days after the compilation of the protocol on the voting results in the form of a report.

7.25. The resolution for every issue specified in Subclauses 2), 5), 6), 15) of Clause 7.2 of the Articles may include the period of time after which the resolution is not to be executed. The specified period of time expires in accordance with Clause 8 of Article 49 of the Federal Law on Joint Stock Companies.

Article 8. THE BOARD OF DIRECTORS

8.1. The Company's Board of Directors shall exercise the general management of the Company's activities, with the exception for the issues under the jurisdiction of the Meeting of Shareholders.

The jurisdiction of the Board of Directors shall be defined by these Articles and resolutions of the Meeting of Shareholders.

The resolutions of the Meeting of Shareholders shall be obligatory for the Board of Directors.

8.2. The following issues shall be within the jurisdiction of the Board of Directors:

- 1) determination of priority areas of the Company activities;
- 2) convocation of the Annual and Extraordinary Meeting of Shareholders, except for the event when the convocation of the Extraordinary Meeting of Shareholders is initiated by the Audit Commission, Auditor, or the shareholder(s) holding in the aggregate not less 10 per cent of the Company voting shares when the Board of Directors has not passed the resolution on the convocation of the Meeting of Shareholders on the request of the above persons within the period specified in Clause 7.4 of the Articles or when the Board of Directors has passed the resolution to waive the convocation of the Meeting of Shareholders on the grounds specified in the Federal Law on Joint Stock Companies;
- 3) approval of the agenda of the Shareholders Meeting;
- 4) setting up the date for compiling the list of persons entitled to participate in the Shareholders Meeting, as well as other matters related to preparation of the Meeting of Shareholders provided by Clause 7.5 of the Articles;
- 5) approval of draft resolutions and adding issues specified in Subclauses 2), 5), 12), 14), 15), 16), 17), 18), 21), 22), 23) of Clause 7.2 of the Articles, as well as approval of draft resolutions for other agenda issues of the Meeting of Shareholders;
- 6) approval of the reports on the results of share issue and acquisition;
- 7) placement of bonds and other issued securities and approval of the results of their placement;
- 8) determination of the price (monetary value) of the assets, the offering price and buyback price of the issued securities in the cases stipulated in the Federal Law on the Joint Stock Companies and by the Articles;
- 9) acquisition of shares, bonds and other issued securities placed by the Company in accordance with Clause 5.10 of the Articles;
- 10) appointment of the President of the Company and early termination of his powers;
- 11) electing the Chairman of the Board of Directors and early termination of powers of the Chairman of the Board of Directors;
- 12) determination of the number of members of the Management Board and appointment of the members of the Management Board, early termination of their powers;
- 13) approval of concurrent engagement of the President or a member of the Management Board in executive bodies of other companies (except for representing the Company's interests in the executive bodies of the Company's subsidiaries and other entities which the Company participates in);
- 14) approval of the terms of the agreements entered into with the President and members of the Company's Management Board;
- 15) recommendations on the amount of remuneration and compensation payable to members of the Audit Commission and determination of the Auditor's fee;
- 16) recommendations on the amount of dividend on shares and the procedure for its payment;
- 17) recommendations on the voluntary or mandatory offer on the acquisition of shares received by the Company, which include the assessment of the price offered for the shares and possible change in their market price after their acquisition, appraisal of the intentions of the person, who has submitted the voluntary or mandatory offer, towards the Company and its personnel;
- 18) participation and termination of the participation of the Company in other entities, carve-out of shares of these entities and carve-out of shares of the companies placed in the share capital of the Company, establishment and liquidation of subsidiaries, 100 per cent of shares of which belongs to the Company, except for the cases specified in Subclause 22) of Clause 7.2 of the Articles;
- 19) passing resolutions on establishment and liquidation of the Company's affiliates, representative offices, passing resolutions on introducing amendments related to establishment and

liquidation of the Company's affiliates, representative offices into the Company's Articles of Association;

20) approval of major transactions involving the acquisition or disposal or possible direct or indirect disposal of the assets with a value of 25 to 50 per cent of the book value of the Company assets determined in accordance with the financial statement of the last reporting date as specified in Clause 12.3 of the Articles;

21) approval of interested-party transactions, which according to Article 13 of the Articles, involve members of the Board of Directors, Management Board, President of the Company and other persons;

22) approval of the Company development programs submitted by the Management Board;

23) preliminary approval of the transactions on the acquisition of any asset, including shares (share fractions) and property when the amount of the transaction or the asset market price exceeds 68 million US dollars in rubles equivalent, as well as preliminary approval of the several associated transactions on the acquisition of any asset, including shares (share fractions) and property when the amount of the transactions or the asset market price in the aggregate exceeds 68 million US dollars in rubles equivalent, except for the transactions with subsidiaries and affiliates;

24) preliminary approval of any transaction on the disposal of shares (share fractions) and property, including the transactions on the encumbrance of shares (share fractions) and property, including the conclusion of security agreements which may be followed by the subsequent encumbrance of shares (share fractions) and property, as well as the transactions on the transfer of shares (share fractions) and property into trust management, except for the transactions with subsidiaries and affiliates;

25) preliminary approval of the transactions on the disposal of any asset except for shares (share fractions) and property when the amount of the transaction or their market price exceeds 68 million US dollars in rubles equivalent except for the transactions with subsidiaries and affiliates, as well as the preliminary approval of several associated transactions on the disposal of any asset except for shares (share fractions) and property when the amount of the transaction or their market price exceeds 68 million US dollars in rubles equivalent except for the transactions with subsidiaries and affiliates;

26) preliminary approval of the transactions on rental and/or lease of the property when the amount of the transaction or its market price exceeds 68 million US dollars in rubles equivalent, which will be effected for the period of more than one year except for the transactions with subsidiaries and affiliates;

27) preliminary approval of the transactions on property encumbrance including the conclusion of contracts of pledge except for the transactions on the encumbrance of shares (share fractions) and immovable property which may result in subsequent disposition of the property, when the sum of transaction or its market price exceeds 68 million US dollars in rubles equivalent except for the transactions with subsidiaries or affiliates;

28) preliminary approval of the transactions on the provision of suretyship, loan, trust management of the property except for transactions on the transfer of the shares (share fractions) for trust management and immovable property, the conclusion of contracts with financial consultants, contracts on compensation, contracts for assignment of the right of demand and transfer of a debt, sponsorship contracts, and issue of debt securities for the amount exceeding 68 million US dollars in rubles equivalent per year, except for the transactions with subsidiaries and affiliates;

29) preliminary approval of the transactions on procurement of loans/credits for the period exceeding 3 months, and which amount exceeds 68 million US dollars in rubles equivalent including the sum of the principal debt and interest, except for the transactions with subsidiaries and affiliates;

30) preliminary approval of the transactions on granting credits for the period exceeding 3 months, which sum exceeds 1 billion 350 million rubles, except for the transactions with subsidiaries and affiliates;

31) admission of claims which amount exceeds 270 million rubles;

- 32) approval (introduction of amendments into) of business plans of the Company;
- 33) approval of the internal regulatory documents on their submittal by the Management Board (except for the documents, which approval falls under the competency of the Meeting of Shareholders, President or the Management Board of the Company);
- 34) preliminary approval of nominating for the positions of vice-Presidents and a chief accountant of the Company and their dismissal from office at the request of the President of the Company;
- 35) approval of the Registrar of the Company and the terms of the concluded contract and termination of the contract with him;
- 36) consideration of the results of the financial and economic activities of the Company;
- 37) use of the reserve and other funds of the Company;
- 38) adopting decisions on the Company position for the following issues of the agenda of the General Meetings of Shareholders (participants) of the companies where the Company is a shareholder (participant):
- reorganization of a company,
 - liquidation of a company,
 - determination of the number, nominal cost, category (type) of declared shares and the rights which these shares provide,
 - increase in the Share Capital by increasing the nominal cost of shares or by placing additional shares,
 - splitting and consolidation of a company's shares,
 - execution of major transactions, except for the transactions effected during the routine business activities;
- 39) adopting decisions for the Company position on all the issues of the agenda of the Annual General Meetings of Shareholders of OAO Slavneft-Yaroslavnefteorgsintez and OAO Slavneft-Megionneftegaz, as well as adopting a decision on issuing a directive to the President on the representation of the Company's interests and voting at the Annual General Meetings of Shareholders of the above mentioned companies in accordance with adopted decision on the Company's position on the agenda;
- 40) passing resolutions on setting the Committees of the Board of Directors and approval of their regulations;
- 41) other issues specified in the Federal Law on Joint Stock Companies and the Articles of Association.

If the transactions specified in Subclauses 23, 24, 25, 26, 27, 28, 29, 30 of this Clause are also transactions of interest, only the provisions specified in Clause 13 of the Articles shall apply during its execution.

Issues falling under the competency of the Board of Directors shall not be resolved by the Company's management or President.

8.3. The members of the Board of Directors shall be elected at the Annual Meeting of Shareholders for the period until the next Annual Meeting of Shareholders.

According to Clause 8.6 of the Articles, the decision of the Meeting of Shareholders on early termination of office may be made only for all the members of the Board of Directors of the Company.

Members of the Board of Directors may be elected at the Extraordinary Meeting of Shareholders for the period until the election of new members of the Board of Directors at the next Annual Meeting of Shareholders.

If the Annual Meeting of Shareholders has not been held within the period specified in Clause 7.3 of the Articles or if by any reason the members of the Board of Directors have not been elected at the Annual Meeting of Shareholders, the authority of the members of the Board of Directors shall be terminated, except for the authority for the preparation, convening and holding of Annual or Extraordinary Meeting of Shareholders.

Members of the Board of Directors may be reelected an unlimited number of times.

8.4. The number of the members of the Board of Directors shall be determined by the resolution of the Meeting of Shareholders in accordance with the current laws of the Russian Federation.

8.5. The members of the Company Management may not be elected to the Board of Directors. The members of the Revision Committee may not be elected for the Board of Directors.

Only individuals may be elected as members of the Board of Directors. A member of the Board of Directors may not be a shareholder of the Company.

The requirements to the individuals, who are elected to the Board of Directors, may be stipulated by the Meeting of Shareholders.

8.6. The members of the Board of Directors shall be elected through cumulative voting specified in this Clause. The number of votes belonging to each shareholder shall be multiplied by the number of the persons who shall be elected to the Board of Directors of the Company. Each shareholder shall have the right to pass all his votes to one candidate or split them between two or more candidates.

The candidates to the Board of Directors shall be considered elected to the Board of Directors if they have majority of votes.

8.7. The members of the Board of Directors shall elect the Chairman from among their number for the entire term of office of the Board of Directors.

At any time the Board of Directors of the Company shall have the right to reelect the Chairman by majority of votes from the aggregate number of the members of the Board of Directors.

The President of the Company may not concurrently hold the position of the Chairman of the Board of Directors.

In the absence of the Chairman of the Board of Directors, the Board members shall elect a Chairman from one of the members of the Board of Directors.

8.8. The authority of the members of the Board of Directors may be terminated prematurely by the resolution of the Meeting of Shareholders.

8.9. The meetings of the Board of Directors shall be held as and when necessary but not less than once per 6 weeks.

The meetings of the Board of Directors of the Company shall be convened by the Chairman of the Board of Directors on his own initiative, at the request of a member of the Board of Directors, the Audit Commission or the Auditor of the Company, the Management Body of the Company and the President.

The meetings of the Board of Directors, which are convened at the request of a member of the Board of Directors, the Audit Commission, the Auditor of the Company, the Management Board, and the President shall be held not later than 15 days after submitting the request. The Chairman of the Board of Directors shall adopt a decision on convening the meeting of the Board of Directors not later than 3 days after the date of submitting the request on convening the meeting of the Board of Directors by the above persons.

The manner of convening and holding meetings of the Board of Directors are set forth by the Regulations on the Board of Directors approved by the Meeting of Shareholders.

8.10. The meeting shall quorate if more than the half of the elected members of the Board of Directors is present at it.

When determining the quorum and results of the voting on the agenda items, written opinion of an absent member of the Board of Directors shall be taken into account.

8.11. The Board of Directors may adopt decisions by means of absentee voting.

The manner of absentee voting is set forth by the Regulations on the Board of Directors.

The decision of the Board of Directors shall be considered as adopted by absentee voting only when there are no objections (voted against) from the members of the Board of Directors.

8.12. Decisions of the Board of Directors shall be accepted by the majority of votes of the total number of the elected members of the Board of Directors if not specified otherwise by the Articles of Association and Federal Law on Joint Stock Companies.

Decisions of the Board of Directors related to Paragraph 20) of Subclause 8.2 of the Articles shall be unanimously adopted by all the members of the Board of Directors.

The members of the Board of Directors shall have only one vote.

The member of the Board of Directors shall not transfer his vote to any other person, including any member of the Board of Directors.

The member of the Board of Directors, who has not taken part in voting or who has voted against the decision, which has been adopted by the Board of Directors in violation of the Federal Law on Joint Stock Companies, other legal acts of the Russian Federation, the Articles of the Association of the Company, shall have the right to claim this decision in court if this decision violates his rights and legitimate interests. This claim may be submitted to court within one month since the day when the member of the Board of Directors of the Company has found out or would have found out about the passed decision.

8.13. By the decision of the Meeting of Shareholders the members of the Board of Directors may receive remuneration and (or) compensation for the expenses during the execution of their duties, which are related to the execution of their duties as members of the Board of Directors. The amount of this remuneration and compensation shall be resolved by the Meeting of Shareholders.

8.14. Minutes of all meetings of the Board of Directors shall be taken in the manner governed by the Regulations on the Board of Directors and shall be prepared not later than 3 days after the meeting of Board of Directors.

Minutes of the meeting of the Board of Directors shall be signed by the Chairman of the meeting, who shall be responsible for the credibility of their preparation, by the Secretary of the Board of Directors (or the acting Secretary of the Board of Directors), and shall be certified by the Company's seal.

Arrangements for the conduction of the Board of Directors meetings and exercising minutes of the meetings shall be made by the Secretary of the Board of Directors in the manner specified by the Regulations on the Board of Directors. The appointment and dismissal of the Secretary of the Board of Directors shall be effected by decision of the Board of Directors.

Article 9. EXECUTIVE BODIES OF THE COMPANY

9.1. The President of the Company, being the single-person executive body of the Company and the Management Board, which is the Company's collective executive body, shall manage the current activities of the Company. The executive bodies of the Company shall be accountable to the Board of Directors and Meeting of Shareholders.

9.2. The Management Board is the Company's collective executive body acting on the basis of the Regulations on the Executive Bodies approved by the Meeting of Shareholders and within the competency stipulated in these Articles, decisions of the Meeting of Shareholders and the Board of Directors.

The Management Board of the Company shall:

- ensure the implementation of the decisions made by the Meeting of Shareholders and the Board of Directors;
- approve the Company's development programs, including investment programs;
- review and approve the budget of the Company and the results of its fulfillment;
- provide the coordination of the investment, credit and financial, and price policies of the Company;
- preliminary review draft resolutions on establishment and liquidation of the Company's affiliates, representative offices;
- provide the execution of other functions stipulated in the Regulations on the Executive Bodies of the Company, the resolutions passed by the Meeting of Shareholders and the Board of Directors.

9.3. The President of the Company shall head the Management Board, manage its work and chair at its meetings, the President shall act without power of attorney on behalf of the Company and in accordance with the resolutions of the Management Board adopted according to its competency.

9.4. The Board of Directors shall determine the number of the members of the Management Board of the Company.

The members of the Management Board shall consist of the Company's Vice-Presidents, the Chief Accountant and other officials.

The Board of Directors shall appoint the members of the Management Board on the President submission.

The term of office of the Management Board shall be 3 years. The Company's Board of Directors shall have the right to terminate the authority of the members of the Management Board, one, several, or all the members of the Management Board including the termination of the agreements concluded with them.

The Company represented by the Chairman of the Board of Directors (or other member of the Board of Directors on the Board of Directors' instruction) shall conclude an agreement with every member of the Management Board, where his rights, obligations and responsibilities shall be determined.

Combining the membership in the Company's Management Board and in management bodies of other organizations shall be allowed only if the Company's Board of Directors agrees to that (except for the cases of representing the Company's interests in the management bodies of the Company's subsidiaries and other companies where the Company participates).

9.5. The periodicity and procedure for the convocation and holding meetings of the Management Board shall be determined by the Regulations on the Executive Bodies of the Company.

The quorum for holding the meeting of the Management Board shall be determined by the Regulations on the Executive Bodies and constitute not less than the half of the approved members of the Management. If the number of the members of the Management Board is less than the number constituting the mentioned quorum, the Board of Directors shall pass the resolution on forming the new Management Board or on the appointment of the members of the acting Management Board in the number ensuring the above mentioned quorum.

The transfer of the voting right from one member of the Management Board to any other person including any member of Management Board shall not be allowed.

9.6. The minutes of the meeting shall be recorded during the meetings of the Management Board, which shall be signed by the Chairman and Secretary of the meeting. The minutes shall be submitted to the members of the Board of Directors, the Audit Commission and the Company's Auditor at their request.

9.7. The President shall represent the interests of the Management Board at the meetings of the Board of Directors and the Meetings of Shareholders.

9.8. The President shall be appointed by the Board of Directors.

The Company represented by the Chairman of the Board of Directors (or any other member of the Board of Directors on the Board of Directors' instruction) shall conclude an agreement with the President, which determines his rights, obligations and responsibilities.

Combining the position of the Company's President and positions in the management bodies of other companies shall be allowed only if the Company's Board of Directors agrees to it (except for cases of representing the Company's interests in the management bodies of the Company's subsidiaries and other companies where the Company participates).

9.9. The powers of the President of the Company may be terminated ahead of schedule at any time by the resolution passed by the Board of Directors accompanied by the termination of the contract concluded with him.

9.10. All resolutions provided in Subclauses 9.8, 9.9 of these Articles shall be passed by voting of a three fourths majority of the total number of the members of the Board of Directors.

9.11. The matter of appointment of the Company's President or the early termination of his powers may be submitted to the Shareholders meeting in cases stipulated by clauses 6 and 7 of Article 69 of the Joint Stock Companies Federal Law.

9.12. The term of office of the Company's President shall be 3 years. The same person may be appointed to the position of the President an unlimited number of times.

9.13. The President shall act on behalf of the Company without power of attorney. Other members of the Management Board shall act within their authorities determined by the Articles and the Regulations on the Company's Executive Bodies and shall act on behalf of the Company based on power of attorney granted by the President.

9.14. The President of the Company shall:

- issue orders, instructions and give directions binding on all the Company's employees;
- exercise authority to possess, use and dispose of the Company's property on the Company's behalf within the limits set by these Articles;
- perform all actions required to exercise the proprietary rights as the Company's property owner based on the resolutions of the Meeting of Shareholders and the Board of Directors passed in accordance with their competences;
- act as a representative on the Company's behalf in relationships with any Russian and foreign legal and physical entities, conclude agreements, contracts and other transactions on behalf of the Company and issue power of attorney for such activities as stipulated by the current laws and the Articles;
- represent the Company's interests at the Meetings of Shareholders (participants) of the companies where the Company is a shareholder (participant) without a power of attorney, issue power of attorney to other representatives of the Company for the representation of the Company's interests and voting at General Meetings of Shareholders (participants) of the companies where the Company is a shareholder (participant) according to the resolution of the Board of Directors of the Company and direction of the Board of Directors in cases stipulated in Paragraph 38) and 39) of Subclause 8.2 of the Articles;
- appoint and dismiss the Company's vice-Presidents and Chief Accountant of the Company on the preliminary approval of the Board of Directors (except for instances of nominating them for these positions as acting officers);
- appoint and dismiss the Company's employees, managers of branches and representative offices, except for the members of the Management Board;
- approve the structure and list of personnel, the budget for the personnel expenses, the amount and form of the salary payment to the Company's employees (including branches and representative offices);
- submit claims and lawsuits against legal and physical entities on behalf of the Company and in accordance with the Russian laws.

The Company's President shall have the right to pass resolutions on any issues, which do not fall under the competences of the Meeting of Shareholders and the Board of Directors.

Article 10. AUDIT COMMISSION AND AUDIT

10.1. The Audit Commission shall exercise control over the financial and economic activity of the Company.

10.2. The Revision Commission shall be elected by the Shareholders' Meeting of the Company and shall consist of 6 members.

The election of the members of the Audit Commission shall be effected by a majority of votes.

The shares belonging to the members of the Board of Directors and Company's Management shall not take part in voting during the election of the members of the Audit Commission.

The Audit Commission shall elect their Chairman independently.

10.3. The procedures for the Audit Commission activities shall be established by the Regulations on the Audit Commission approved by the Meeting of Shareholders.

10.4. The members of the Audit Commission may not be members of the Board of Directors and the Company's Management or hold other positions in the Company's management bodies.

10.5. The Audit Commission performs an audit of the financial and business activity of the Company according to the results of the Company's annual performance and at any time upon the resolution of the Meeting of Shareholders, the Board of Directors, on their own initiative or at the

request of the Company's shareholders holding at least 10 per cent of the Company's voting shares in total.

The Audit Commission shall submit the results of its audit to the Meeting of Shareholders and the Board of Directors.

The Audit Commission shall present the report on the results of the annual audit to the Board of Directors not later than 10 days prior to the Annual Meeting of the Board of Directors where the annual report of the Company, the balance sheet, the profit and loss statement and profit and loss distribution report are considered.

10.6. The Audit Commission shall have the right to request the convocation of the Extraordinary General Meeting of Shareholders and the meeting of the Company's Board of Directors.

10.7. The Audit Commission shall have the right to request an independent auditor's inspection of the Company's activities.

10.8. The persons holding positions in the management bodies of the Company are obliged to present documents on the financial and business activities of the Company at the request of the Audit Commission.

10.9. The members of the Audit Commission shall be personally responsible to the Company for the losses incurred by the disclosure of the information that constitutes the Company's commercial secret.

10.10. Within the period of performing their duties the members of the Audit Commission shall be remunerated and (or) reimbursed for their expenses related to the performance of their duties according to the resolution of the Meeting of Shareholders based on the recommendations of the Board of Directors. The resolution on the payment of such remuneration and reimbursements and their amount shall be determined by the decision of the Meeting of Shareholders.

10.11. The Company's Auditor shall perform inspection of the Company's financial and business activities in conformity with the legal acts of the Russian Federation and in accordance the contract concluded with him.

The Company's Auditor shall be approved by the resolution of the Meeting of Shareholders. The amount of his fee shall be determined by the Board of Directors.

The Board of Directors shall consider the reports on the results of the inspection of the Company's financial and business activities for the previous financial year at the meeting of the Board of Directors at least 30 days before the date of holding of the annual Meeting of Shareholders.

Article 11. RESPONSIBILITIES OF THE COMPANY'S OFFICIALS

11.1. When exercising their rights and performing their duties, the Board of Directors' members, the President, the members of the Company's Management shall act in the Company's interests, shall exercise their rights and perform their duties for the Company reasonably and in good faith.

11.2. The members of the Board of Directors, the President of the Company, and the members of the Company's Management Board shall be liable to the Company for the losses incurred to the Company by their culpable actions (inaction), unless other grounds and scope of liabilities are set forth by the federal laws.

The members of the Board of Directors, the President of the Company, and the members of the Company's Management Board shall be liable to the Company or shareholders for the losses incurred by their culpable actions (inaction), which violate the procedure for the acquisition of the Company's shares stipulated in Chapter XI.I of the Federal Law on Joint Stock Companies and Subclauses 6(1) - 6(2) of the Articles.

No liability shall be borne by the members of the Board of Directors and the Management Board of the Company, who voted against a decision that caused losses to the Company or who have not participated in the voting.

In determining the grounds and scope of the liabilities of the members of the Board of Directors, the President of the Company, and the members of the Company's Management Board ordinary conditions of business intercourse and other relevant circumstances shall be taken into account.

In the event that several persons are liable pursuant to the terms of Paragraph 2 of Subclause 11.2 of this Article, they shall be jointly liable to the Company.

11.3. In case of the event stipulated in Paragraph 1 of Subclause 11.2 of the Article, the Company or a shareholder (shareholders) owning in the aggregate at least one percent of the outstanding ordinary shares of the Company shall have the right to file a suit in court against a member of the Board of Directors, the President of the Company, and a member of the Company's Management Board for incurred losses.

In case of the event stipulated in Paragraph 2 of Subclause 11.2 of the Article, the Company or a shareholder shall have the right to file a suit in court against a member of the Board of Directors, the President of the Company, and a member of the Company's Management Board for incurred losses.

Article 12. MAJOR TRANSACTIONS

12.1. A major transaction shall be a transaction (including loan, credit, pledge, surety) or several interrelated transactions connected with the acquisition, the disposal of or the possibility of the disposal of the Company's property by the Company directly or indirectly, the value of which exceeds 25 percent of the book value of the Company's assets determined on the basis of the accounting reporting for the last reporting date except for the transactions effected in the process of the regular business activity, transactions related to the allotment of the ordinary shares of the Company by offering or the allotment of issued securities convertible to ordinary shares, in other instances specified by the RF legislation.

In case of the disposal or the possibility of the disposal of the Company's property, the Company's accounting data on the cost of the property shall be compared with the book value of the Company's assets, and in case of the acquiring property it shall be compared with the cost of acquisition.

12.2. A major transaction shall be approved by the Board of Directors or the Meeting of Shareholders in accordance with their competencies stipulated in the Federal Law on Joint Stock Companies and in these Articles.

When the Board of Directors or the Meeting of Shareholders passes a resolution on the approval of a major transaction, the cost of the property to be disposed or acquired shall be determined by the Board of Directors in accordance with Article 77 of the Federal Law on Joint Stock Companies.

12.3. The resolution on the approval of a major transaction, where the property cost ranges from 25 to 50 per cent of the book value of the Company's assets, shall be unanimously passed by all the members of the Board of Directors. If the unanimity of the Company's Board of Directors on the approval of a major transaction is not reached, the issue, by decision of the Company's Board of Directors, may be submitted to the Meeting of Shareholders for resolution. In this case, the resolution on the approval of a major transaction shall be passed at the Meeting of Shareholders by a majority of votes of shareholders - holders of the voting shares, who participate in the Meeting of Shareholders.

12.4. The resolution on the approval of a major transaction where the property cost exceeds 50 per cent of the book value of the Company's assets shall be passed at the Meeting of Shareholders by a three fourth majority of shareholders' votes, who hold voting shares and participate in the Meeting of Shareholders.

12.5. The resolution on approving a major transaction shall indicate the name of the person (persons) who is a party (parties), beneficiary, cost, subject of transaction, and other substantial conditions.

12.6. If a major transaction is also a transaction of interest, only the provisions specified in Clause 13 of the Articles shall apply during its execution.

Article 13. COMPANY'S INTEREST IN CONCLUDING A TRANSACTION

13.1. Transactions (including loan, credit, pledge, surety) of interest to the member of the Board of Directors, the President of the Company, the Company's Management Board member or a shareholder and his affiliated persons, who jointly hold 20 and more per cent of the Company's voting shares, and the persons, who are entitled to give obligatory instructions to the Company, shall be concluded by the Company in accordance with these Articles and provisions of Chapter XI of the Federal Law on Joint Stock Companies. The above mentioned persons shall be considered to be interested in the conclusion of a transaction by the Company in the instances specified in Article 81 of the Federal Law on Joint Stock Companies.

13.2. When the number of the shareholders, who own the Company's voting shares, does not exceed 1000 persons, the resolution on the Company's approval of an interested party transaction shall be passed by a majority of the Board of Directors' votes of the members, who do not have interest in the conclusion of this transaction.

When the number of shareholders-owners of the Company's voting shares exceeds 1000 persons, the resolution on the Company's approval of an interested party transaction shall be passed by a majority of votes of independent members of the Board of Directors, who are not interested in the conclusion of this transaction.

A person shall be considered an independent member of the Board of Directors, if he complies with Paragraph 3 of Article 83 of the Federal Law on Joint Stock Companies.

In the instances stipulated by the current laws, the resolution on concluding a transaction (transactions) shall be passed at the Meeting of Shareholders by a majority of the shareholders' votes, who are not interested in the conclusion of this transaction.

In the course of the Company's performance of its regular activities, the Meeting of Shareholders shall have the right to pass the resolution on the approval of a transaction (transactions) between the Company and an interested party, which may be concluded in the future prior to the next annual Meeting of Shareholders with the indication of a maximum amount of such a transaction (transactions).

When the Board of Directors or the Meeting of Shareholders adopts the resolution on the approval of an interested party transaction, the cost of the property to be disposed of or acquired shall be determined by the Board of Directors in accordance with Article 77 of the Federal Law on Joint Stock Companies.

The provisions of this Subclause shall not be applied to transactions, the conclusion of which is of interest to all the shareholders of the Company, when they exercise their preemptive right to purchase the Company's shares to be allotted, the Company's purchase and redemption of the allotted shares during the Company's reorganization by means of merger (takeover) and in other instances specified by the law.

Article 14. PROFITS AND FUNDS OF THE COMPANY. DIVIDENDS ON THE SHARES

14.1. The net profit of the Company shall remain at the disposal of the Company and form the reserve and other funds of the Company; it shall be also used to pay out dividends to the shareholders.

The Company shall independently determine the necessity of creating, the procedure of forming and spending the production and social development funds, and other funds in conformity with the applicable laws.

14.2. The Company shall create the reserve fund by annual deductions from the Company's profit to a special account.

The reserve fund shall be equal to 100 percent of the amount of the Company's Share Capital.

The safety fund shall be formed by means of the obligatory annual deductions, which shall be not less than 5 per cent of the Company's net profit until it reaches the established amount of the reserve fund.

The reserve fund shall be used solely for covering contingent losses, the redemption of the Company's bonds and its shares in accordance with Subclause 6.6 of the Articles in case of absence of other means.

The procedure for the utilization of the reserve fund means shall be defined by the Board of Directors.

14.3. The Company may grant the right to acquire a certain number of its own shares to its employees on favorable terms (options).

The Company may create a special fund for buying shares for its employees at the expense of the net profit, which shall be spent solely on purchasing the shares from the shareholders of the Company for their allotment among the Company's employees. The procedure of the creation and utilization of this fund shall be determined by the Regulations approved by the Board of Directors.

14.4. According to the results of the first quarter, half year, and nine months of the financial year and (or) the results of the financial year, the Company shall have the right to pass resolutions on (declare) the dividend payment on the allotted shares, unless otherwise is established by the Federal Law on Joint Stock Companies. The resolution on (declaration of) the payment of the dividend in accordance with the results of the first quarter, half year, and nine months of the financial year may be passed within three months after the end of the respective period. The dividend shall be paid from the net profit of the Company.

The decisions on the payment (declaration) of the dividends, their amount and form of payment shall be adopted by the Shareholders Meeting. The amount of the dividends may not exceed the amount recommended by the Company's Board of Directors.

14.5. The deadline for dividend payment and the order of payment on shares shall be set by the resolution of the Shareholders Meeting. The deadline for dividend payment shall not exceed 60 days from the day of passing a resolution on dividend payment. If the Shareholders Meeting does not resolve upon the deadline for the dividend payment, it is assumed to be 60 days from the date of passing a resolution on payment.

The list of persons entitled to receive the dividends shall include the persons listed in the shareholders registry as on the date of drawing up the list of persons entitled to participate in the general Meeting of Shareholders, where the resolution on paying the respective dividends is passed.

If the declared dividend is not paid to the person included in the list of persons entitled to the dividends within the dividend payment period, such person may apply, during the 5-years period after the expiry of that period, to the Company demanding the declared dividend payment to him; on the expiry of the 5-year period the declared and uncalled dividends are restored in retained earnings of the Company.

14.6. The Company shall have no right to pass a resolution on (declare) the payment of dividends:

until the payment of the Share Capital is made in full;

before the redemption of all the shares that are to be bought out from the shareholders in accordance with Subclause 6.6 of the Articles (taking into account the limited amount, which the Company has the right to use for the mentioned redemption);

if on the date of passing such a resolution, the Company shows evidence of its insolvency (bankruptcy) as per the laws on insolvency (bankruptcy) or if this may be caused by the payment of dividends;

if on the date of passing such a resolution, the Company's net asset worth is lower than the Share Capital and the reserve fund, or if it becomes lower than their established amount in the result of passing such a resolution;

in other cases specified in the federal laws.

14.7. The Company shall have no right to pay the declared dividends on shares:

if on the date of the payment the Company shows evidence for the insolvency its (bankruptcy) in accordance with the law of the Russian Federation on insolvency (bankruptcy), or if the above mentioned factors may be caused by the payment of dividends;

if on the date of passing such a resolution the Company's net asset worth is lower than the share capital and the safety fund, or it will become lower of their established amount in the result of the dividend payment;

in other cases specified in the federal laws.

Upon the end of the circumstances mentioned in this Subclause, the Company shall pay the declared dividends to the shareholders.

Article 15. ACCOUNTING AND FINANCIAL REPORTING. INFORMATION ON THE COMPANY

15.1. The Company shall keep accounts and shall submit financial statements pursuant to the procedure established by the effective laws of the Russian Federation and the Articles of Association. The Company's accounting shall be performed in the currency of the Russian Federation, which is a Russian rouble.

The Company's financial year shall equal to one calendar year.

15.2. The Company's annual report, profit and loss statement and accounting balance sheet shall be approved by the annual Meeting of Shareholders. Before presenting the above documents to the Meeting of Shareholders, the reliability of the information contained in them shall be confirmed by the Audit Commission and the Company's Auditor, which are not connected by proprietary interests with the Company and its shareholders.

The annual report, profit and loss statement and accounting balance sheet shall be subject to a preliminary approval by the Board of Directors of the Company, which shall be prepared not later than 30 days prior to the date of holding the annual Meeting of Shareholders.

15.3. The Company shall keep the following documents at its location:

- 1) the Company's constitutional documents, the certificate of incorporation;
- 2) the documents confirming the Company's right to the property on its balance;
- 3) the Company's internal documents approved by the Meeting of Shareholders or the Board of Directors;
- 4) the Regulations for the Company's branches and representative offices;
- 5) annual reports;
- 6) prospectus for the Company's securities, quarterly reports of the issuer and other documents containing information to be published or disclosed by other means in accordance with the requirements of the current laws of the Russian Federation;
- 7) accounting documents;
- 8) accounting reporting documents;
- 9) minutes of the meetings of Shareholders, the meetings of the Board of Directors and Audit Commission of the Company;
- 10) minutes of the Management Board of the Company;
- 11) voting ballots and powers of attorney (or their copies) granting the right to participate in the Meeting of Shareholders;
- 12) reports of independent appraisers;
- 13) lists of the Company's affiliates;
- 14) lists of the persons, who has the right to participate in the Meeting of Shareholders, entitled to receive dividends, and other lists drawn up by the Company for exercising the rights of shareholders;
- 15) conclusions of the Audit Commission, the Company's Auditor, state and municipal authorities of financial control;
- 16) notifications on signing shareholders' agreements sent to the Company, and also lists of persons signed these agreements;
- 17) juridical acts on disputes related to the Company's incorporation, management or interest in it;

18) other documents specified in the Federal Law on Joint Stock Companies, internal documents of the Company, resolutions of the Meetings of Shareholders, resolutions of the Board of Directors, resolutions of other executive bodies of the Company, and other documents stipulated by the legal acts of the Russian Federation.

In accordance with the Federal Law on Joint Stock Companies and other legal acts of the Russian Federation, the Company's executive bodies shall bear the responsibility for the management, state and reliability of the Company's accounting, timely submittal of the annual report and other financial reporting to the respective authorities, and the information on the Company's activities for the shareholders, creditors, and mass media.

15.4. The Company shall provide access to the documents specified in Article 15.3 of the Articles to its shareholders. The shareholders (shareholder) owning in total not less than 25 per cent of the Company's voting shares shall have access to the accounting documents and minutes of the Company's Management Board meetings.

The Company shall provide the documents specified in Article 15.3 of the Articles to the shareholders for familiarization at the premises of the Company's executive body within seven days after the date of submitting such a request.

The Company shall provide the shareholders with the copies of the above mentioned documents at their request for a charge set by the Company's Management Board, which shall not exceed the expenses for making them. Additional requirements to the procedure for submitting the documents specified in Article 15.3 of the Articles and the order for submitting the copies of these documents are established by the regulatory legal acts of the federal executive body for securities market.

The Company shall provide shareholders with access to the its court orders on disputes related to the Company's incorporation, management or interest in it, including determinations on proceedings commencement by the arbitration court for the case and acceptance of complaint or application on changing the basis or subject of the earlier filed suit. The above documents shall be provided by the Company to shareholders for review at the office of the executive body of the Company within three days from the date of submission of the respective request. The Company shall provide the shareholders, at their request, copies of these documents for a fee as stipulated by the Management Board of the Company, which may not exceed the cost of their preparation.

The shareholders' request on the submittal of the information on the Company's activities may be rejected if the requested information contains a state secret as specified in the law of the Russian Federation, or if it is of a commercial secret and its submittal may incur losses to the Company.

15.5. The Company shall disclose:
the annual report and annual financial statement;
prospectus for the Company's securities in cases specified by the law;
notification on holding the Meeting of Shareholders according to the procedure stipulated in the Articles;
other information specified by the current law of the Russian Federation.

The Company, upon the resolution of the General Shareholders Meeting, is entitled under the RF securities legislation to file application to the federal executive body on securities market to release him from the obligations to disclose or provide information as required by the RF securities legislation. The General Shareholders Meeting shall pass the resolution on this matter by $\frac{3}{4}$ majority of shareholders' votes who hold voting shares and attend the General Shareholders Meeting.

15.6. The Company shall protect the information which contains its commercial secrets.

Article 16. REORGANIZATION OF THE COMPANY

16.1. The reorganization of the Company in the form of merger, takeover, split-up, spin-off and the transformation of its incorporation form shall be voluntarily carried out by decision of the Shareholders Meeting.

Except for the mergers, the Company shall be considered reorganized from the moment of the state registration of newly formed legal entities, and in case of the merger of another company – from the moment of entering the notification on the cessation of another company’s activities into the Uniform State Register for Legal Entities.

16.2. In the event of the Company’s reorganization by merger, takeover or transformation, its rights and duties shall be transferred to its successors in accordance with a transfer act; in the event of the Company’s demerger or split-off - in accordance with a separation balance sheet.

The transfer act and the separation balance sheet shall be approved by the Meeting of Shareholders.

If the separation balance sheet or transfer act do not give the possibility to determine the successor of the Company during its reorganization, the legal entities created during the reorganization shall be jointly responsible for the Company’s liabilities to its creditors.

The transfer act and separation balance sheet shall contain provisions for the legal succession on all the liabilities of the Company to its creditors and debtors including disputed liabilities, the procedure for determining the legal succession in the event of changes in type, structure and cost of the Company’s property, as well as in the event of originating, changing and termination of the Company’s rights and liabilities, which may take place after the date of signing the transfer act or the separation balance sheet.

16.3. Not later than 30 days after the date of passing the resolution on the reorganization of the Company, and in the event when the Company is reorganized by merger or takeover – from the date of passing the resolution on the reorganization by the last of the companies participating in the merger or takeover, the Company shall inform its creditors in written or shall publish the notification on the adopted resolution in the print media where information on the registration of legal entities is published. The creditors shall have the right to submit a written request on early termination or fulfillment of the respective liabilities of the Company and on the reimbursement of incurred losses within 30 days from the date of forwarding the notification to them or within 30 days from the date of publishing the information on the passed resolution.

16.4. The merger or takeover shall be effected on the basis of a merger (takeover) agreement. The merger (takeover) agreement shall stipulate all essential conditions specified by the Federal Law on Joint Stock Companies.

During the merger, the Company’s Board of Directors shall approve the draft of the merger agreement and shall submit to the Meeting of Shareholders the reorganization issues of the Company for their resolution, the draft of the merger agreement, the Articles of Association of the Company formed as a result of the merger and the transfer act for their approval.

During the takeover, the Company’s Board of Directors shall approve the draft of the takeover agreement and shall submit the reorganization issues of the Company, the takeover agreement and other issues in the manner specified in Article 17 of the Federal Law on Joint Stock Companies.

16.5. The demerger of the Company shall be considered the dissolution of the Company with the transfer of all its rights and liabilities to newly created companies.

The Company’s Board of Directors shall submit to the Meeting of Shareholders the issue of the reorganization of the Company by the demerger, as well as the issue on the election of the Board of Directors for each company created as a result of demerger, if the Articles of Association of a respective formed company do not specify that the Meeting of Shareholders have the functions of the Board of Directors of this company. The resolution of the Meeting of Shareholders on the Company’s demerger shall contain all necessary conditions specified in the Federal Law on Joint Stock Companies.

During the Company demerger, each Company’s shareholder, who has voted against or abstained from voting on the issue of the Company reorganization, shall receive shares of each company established as a result of the demerger, which shall grant him the same rights as the Company’s shares, which belong to him, and in proportion to the number of the Company’s shares belonging to him.

16.6. The Board of Directors of the Company shall submit to the Meeting of Shareholders the issue of the reorganization of the Company by split-off for its resolution, as well as the issue of the election of the Board of Directors for each company formed during of split-off, if the Articles of Association of a respective formed company do not specify that the Meeting of Shareholders have the functions of the Board of Directors of this company. The resolution of the Meeting of Shareholders on the Company's split-off shall contain all necessary conditions specified in the Federal Law on Joint Stock Companies.

In case when the Company is the only shareholder of the company being established, the election of the Board of Directors of this company shall be effected by the Company's Meeting of Shareholders.

If the resolution on the Company reorganization in the form of split-off implies the conversion of the Company's shares to the shares of a newly created company or the distribution of the shares of a newly created company among the Company's shareholders, each Company's shareholder, who has voted against or abstained from voting on this issue, shall receive shares of each company formed during split-off which grant him the same rights as the Company's shares belonging to him in proportion to the number of the Company's shares belonging to him.

16.7. The Company may be reorganized to a limited liability company and to a production cooperative. The change in the Company type from an open joint stock company to a closed joint stock company shall not be considered as the Company reorganization.

16.8. Other grounds and procedures for the Company reorganization shall be guided by the Civil Code of the Russian Federation, the Federal Law on Joint Stock Companies, and other federal laws.

Article 17. LIQUIDATION OF THE COMPANY

17.1. The liquidation of the Company shall be carried out pursuant to the decision of the Shareholders Meeting and also in cases stipulated by the laws of the Russian Federation.

17.2. In case of the voluntary liquidation of the Company, the Meeting of Shareholders shall appoint a liquidation commission, which is granted all the authorities in the management of the Company.

The liquidation commission shall act on behalf of the Company and exercise the powers stipulated by these Articles for the Board of Directors, the Management Board and the President.

17.3. If the Company is liquidated upon a court resolution, including cases when the Company is found insolvent (bankrupt), the Company shall be liquidated according to the order set by the current law of the Russian Federation.

17.4. The procedure and time period for the Company's voluntary liquidation, the deadline for filing claims by creditors shall be established by the Shareholders Meeting or by the liquidation commission on the instruction of the Shareholders Meeting. The time period for filing claims by creditors may not be less than two months and shall not be more than three months from the date of the publication of the announcement on the Company liquidation.

17.5. The liquidation commission shall inform the creditors in written form on the liquidation of the Company and deadlines for the filing claims by creditors. The liquidation commission shall manage the collection of the Company's receivables, creditors' claims and sale of the Company's property.

17.6. After the deadline for filing claims by creditors, the liquidation commission shall draw up an intermediate liquidation balance sheet indicating the structure of the property, the list of claims presented by creditors and the results of their consideration, which shall be done in accordance with the law. The intermediate liquidation balance sheet shall be approved by the Meeting of Shareholders.

The liquidation commission shall effect the settlements with creditors and the procedure for their satisfaction shall be determined by Article 64 of the Civil Code of the Russian Federation.

After the completion of the settlements with creditors, the liquidation commission shall draw up the liquidation balance sheet, which shall be approved by the Meeting of Shareholders.

17.7. The Company's property remaining after the settlements with creditors shall be distributed among the Company's shareholders in the following order:

By the payments for the shares, which are to be bought out from shareholders in accordance with Article 6.6 of these Articles;

By the distribution of the property among shareholders, who own ordinary shares, which shall be effected in proportion to the number of shares they hold.

17.8. The Company shall be deemed to have been liquidated from the date when the appropriate note is entered into the Unified State Register of Legal Entities.