

APPROVED
By the Resolution of the Extraordinary General
Shareholders' Meeting of
OJSC Polyus Gold

Minutes No. _____ dated _____

CHARTER
of Open Joint Stock Company
Polyus Gold

1. GENERAL PROVISIONS

- 1.1. Open Joint Stock Company Polyus Gold, hereinafter referred to as the Company, established in accordance with the legislation of the Russian Federation as a result of the reorganization of Open Joint Stock Company Mining and Metallurgical Company Norilsk Nickel in the form of spin-off, and acting pursuant to the Federal Law on Joint Stock Companies (hereinafter referred to as the Federal Law), other laws and normative legal acts of the Russian Federation, as well as in compliance with this Charter.

The Company is a legal successor of OJSC MMC Norilsk Nickel with respect to rights and obligations under the division balance sheet.

- 1.2. The full official name of the Company: Otkrytoe aktsionernoye obshestvo Polyus Zoloto.

The abbreviated official name of the Company: OAO Polyus Zoloto.

The full official name of the Company in English: Open Joint Stock Company Polyus Gold.

The abbreviated official name of the Company in English; OJSC Polyus Gold.

- 1.3. The seat of the Company: 15 Tverskoy Boulevard, Building 1, Moscow, Russian Federation 123104

- 1.4. The Company is a legal entity and owns specific property accounted for in a separate balance sheet. It may acquire and exercise property and personal non property rights on its own behalf, bear responsibility, and be a plaintiff and defendant in court.

- 1.5. The Company has the right to open accounts in banks and other credit institutions on the territory of the Russian Federation and abroad, pursuant to the established procedure.

- 1.6. The Company has a round seal stating its full official name in Russian and its seat. The Seal may contain the full official name of the Company in any foreign language or in the language of any people of the Russian Federation.

The Company is entitled to have stamps and letterhead specifying its name, its own logo, as well as a properly registered trademark and other means of visual identification.

- 1.7. The Company is liable under its obligations to the full extent of its property. The shareholders carry the risk of losses related to the operations of the company, to the extent of the value of their shares. The Company is not liable for the obligations of its shareholders.
- 1.8. The Company shall not be subject to the special participation right of the Russian Federation, a subject of the Russian Federation or a municipal formation in managing the Company (the "golden share").

2. GOALS AND PURPOSES OF THE COMPANY

- 2.1. The main goal of the Company's operations is to make profit.

- 2.2. The main activities of the Company are as follows:

- Exploration, investigation and exploitation of mineral deposits;
- Extraction and production of precious metals;

- Manufacturing products out of non-ferrous and precious metals;
- Building, operation and repair of objects located on the surface, as well as in underground mines and structures, designed for exploration, investigation and operation of mineral deposits, extraction and refining of ores and non-ore minerals;
- Development of design and technical documentation for active mining works and objects;
- Operation and repair of equipment, driving machinery and communication equipment, transportation means, and equipment ensuring safety of the production and personnel;
- Blasting works;
- Operation of permanent warehouses storing explosives and of distribution chambers;
- Ore enrichment, transportation of ore concentrate using waterways, operation of hydro-technical structures;
- Metallurgical processing of ore, ore concentrate, secondary non-ferrous and precious metals, production of products from non-ferrous and precious metals, production of sulphur, vitriolic acid;
- Production, transfer, distribution and sales of electrical and heat energy;
- Storage of petroleum and refined petroleum products;
- Operation of surface and underground water supply, system of industrial-drinking water supply and water circulation;
- Production and sale of technical and technological oxygen;
- Operation and maintenance of telephone and radio-relay systems;
- Maintenance and operation of petroleum bulk plants and petroleum stations, including mobile filling stations;
- Assembly, adjustment, operation of energy supplying electro-thermal and energy equipment, and devices for the consumers;
- Transportation, forwarding and other activities related to sea, inland waterways and air transportation;
- Passenger and cargo transportation using automobile and railroad networks;
- Construction, reconstruction, repair works, maintenance of highways, railroads and roadway structures;
- Works and services in the area of nature preservation;
- Fire safety activities;
- Works related to the use of information constituting a state secret, protection of information containing a state secret, and/or providing services to protect state secret;
- Development of town-planning documents;
- Architectural activities;
- Sanatorium and resort services, health and medical services;
- Planning and survey works, including those related to the use of land;
- Topographic & geodesic and cartographic work during construction activities;

- Engineering & survey work in connection with construction, design and assembly of buildings and structures with levels Ist & IInd of responsibility;
 - Operation of engineering systems in towns and populated areas;
 - Manufacture of construction materials, structures and articles;
 - Educational services in the area of middle, high and post-vocational professional and appropriate additional education;
 - Refining of precious metals;
 - Purchasing from the public jewelry and other consumer items made out of precious metals, stones, and buying scrap of such articles;
 - Recycling of scrap metal and waste of precious metals into the final product;
 - Geological survey works, drawing up and publishing geological maps including digital and electronic maps;
 - Geophysical (including gravimetrical) works for the study of earth's subsoil;
 - Drilling of wells for water and geological and exploratory wells for hard and other minerals;
 - Operational and exploration drilling of wells;
 - Extraction and transportation of natural gas and gas condensate;
 - Processing of gas and gas condensate;
 - Export and import activities in the procedure established in the legislation of the Russian Federation;
 - Investment of Company's working capital and raised funds including currency resources into joint ventures, with Russian and foreign organizations, companies and citizens, including setting up subsidiaries and dependent enterprises, both in Russia and abroad;
 - Construction of oil and gas mainlines;
 - Design of factories and objects for oil and gas industry;
 - Operation of oil and gas mainlines;
 - Construction of factories and objects of the gas industry;
 - Operation of factories and objects of the gas industry;
 - Repair and assembly of oil and gas drilling equipment;
 - Training of staff (main profile) for potentially dangerous industrial factories and objects;
 - Assembly and repair of equipment at factories for explosive and fire hazardous materials.
- 2.3. In order to achieve its primary purpose of activities the Company is entitled to perform any other types of economic activities except those which are prohibited by the legislation of the Russian Federation.
- 2.4. Types of activities requiring special permits (licenses) or registration may only be performed after the Company obtains the proper permits (licenses) or registration pursuant to the established procedure.

3. CHARTER CAPITAL AND COMPANY SHARES

- 3.1. Company Charter Capital consists of the nominal value of the Company shares and equals to 190 627 747 (one hundred and ninety million six hundred and twenty-seven thousand seven hundred and forty-seven) Rubles.
- 3.2. Company Charter Capital is divided into 190 627 747 (one hundred and ninety million six hundred and twenty seven thousand seven hundred and forty seven) common nominal shares with a nominal value of 1 (one) Ruble each.
- 3.3. Decision to increase the Company Charter Capital by increasing the nominal value of one share must be adopted by the general shareholders' meeting of the Company (hereinafter referred to as the Shareholders' Meeting).
- 3.4. Decision to increase the Company Charter Capital by placing additional shares within the limits of the number and categories (types) of declared shares must be adopted unanimously by all members of the Company Board of Directors whereas votes of former members of the Company Board will not be counted.
- 3.5. Placement of shares (Company issued securities convertible into shares) by closed subscription can be effected only by the Shareholders' Meeting decision to increase the Company Charter Capital through the placement of additional shares (on the placement of Company issued securities convertible into shares), adopted by a three-quarter majority vote of the shareholders with voting shares participating in the Shareholders' Meeting.
- 3.6. Placement of common shares through an open subscription in the amount exceeding 25 percent of common outstanding shares shall be authorized only by a decision of the Shareholders' Meeting adopted by a three-quarter majority vote of the shareholders with voting shares participating in the Shareholders' Meeting.
- 3.7. Placement of issued securities convertible into common shares through an open subscription in the amount exceeding 25 percent of common outstanding shares shall be authorized only upon a decision of the Shareholders' Meeting adopted by a three-quarter majority vote of the shareholders with voting shares participating in the Shareholders' Meeting.
- 3.8. The payment for the shares of the Company may be made in cash, securities, or other items and property rights, or other rights with a monetary value.
- 3.9. If a payment for the Company shares is made in non-monetary means, the monetary value of such means submitted as payment will be assessed by the Company Board of Directors in accordance with the Federal Law, other laws and normative and legal acts of the Russian Federation.
- 3.10. The Company Charter Capital may be reduced by purchasing and redeeming part of the shares. The Company is entitled to buy back some of its outstanding shares upon a decision of the Shareholders' Meeting on reducing the Company Charter Capital through a purchase of some of its outstanding shares in order to reduce their total number.
- 3.11. Company's decision to reduce its Charter Capital by reducing the nominal value or by buying back part of the shares in order to reduce their total number must be authorized by the Shareholders' Meeting.
- 3.12. The Company has the right to buy back its outstanding shares upon a decision of the Board of Directors of the Company.
- 3.13. When the Company buys back some of its outstanding shares, in the event the

Shareholders' Meeting authorizes to reduce the Company Charter Capital through a purchase of some of its shares in order to reduce their total number, the payment for repurchased shares may be effected, if so authorized by the Shareholders' Meeting, by cash, securities, other items or property rights, or other rights with a monetary value.

- 3.14. The Company shall set up a reserve fund in the amount of 15 (fifteen) percent of the Charter Capital. The reserve fund will be financed by annual installments in the amount of 5 percent of net profit until it reaches its target size.

The Company reserve fund is used to cover the Company's losses as well as to redeem bonds and buy back Company's shares in the event no other means are available. The reserve fund shall not be used for other purposes.

- 3.15. The Company ensures maintenance and storage of the Company shareholders' register in accordance with the legal acts of the Russian Federation as of the moment of Company state registration.

4. SHAREHOLDERS' RIGHTS

- 4.1. The shareholders have the following rights:

- To receive dividends declared by the Company;
 - To participate personally or via representatives in the Shareholders' Meeting with voting rights on all issues in his/her competence;
 - To submit items to the Shareholders' Meeting agenda, pursuant to the procedure stipulated in the legislation of the Russian Federation and in this Charter;
 - To obtain information about the Company operations and receive the Company documents in accordance with Article 91 of the Federal Law on Joint Stock Companies, other normative acts and this Charter;
 - Preferential purchase of additional shares and securities, convertible into shares, placed through an open subscription, in the amount proportionate to the number of shares of this category (type) held by this shareholder;
 - To receive a share of Company property in the event of Company's liquidation;
 - To exercise other rights provided by the legislation of the Russian Federation and this Charter.
- 4.2. Owners of voting shares, in the events provided for by the Federal Law, have the right to demand the Company to buy all or part of their shares.

5. GENERAL SHAREHOLDERS' MEETING

- 5.1. The highest management body of the Company is the Shareholders' Meeting.
- 5.2. The Company shall hold an Annual Shareholders' Meeting once a year. An Annual Shareholders' Meeting is held no earlier than in two months and no later than in six months after the end of the Company's fiscal year.

An Annual Meeting is called by the Company Board of Directors.

- 5.3. The shareholders (shareholder) holding no less than two percent of the voting shares of the Company shall have the right to submit questions for the agenda of the Annual and Extraordinary Shareholders' Meetings as well as nominate candidates to be elected to the Board of Directors and to the Audit Commission of

the Company, within the limits established by the Federal Law. Proposals for the agenda of the Annual Meeting and a list of nominated candidates to the Board of Directors and to the Audit Commission of the Company shall be submitted to the Company no later than 30 days after the end of the fiscal year. Nomination by shareholders (shareholder) of candidates for the Company Board of Directors, the Audit Commission (hereinafter referred to as the Audit Commission), in addition to the information defined by Article 53 paragraph 4 of the Federal Law, shall also contain the following information about the candidates:

- Full name;
- Date of birth;
- Education;
- Places of employment for the last five years;
- Criminal record in financial crimes or crimes against the state;
- Number of Company shares owned by the candidate;
- List of all positions occupied by the candidate in management bodies of other legal entities (specifying the full names of such legal entities and dates on which the candidate entered the position);
- Candidate's written agreement to assume the respective position.

5.4. An announcement of a Shareholders' Meeting shall be published in the Izvestia Newspaper, in the Rossiyskaya Gazeta Newspaper, as well as in the Taymir Newspaper no later than 30 days prior to the date of the Shareholders' Meeting. In case the Shareholders' Meeting is held by absentee voting, the announcement of the Shareholders' Meeting shall be published in the aforementioned publications no later than 30 days before the acceptance deadline for voting ballots.

The Company may inform shareholders additionally of a Shareholders' Meeting by posting a respective announcement on the Company's website on the Internet, or by submitting Meeting notices to the shareholders by e-mail.

The Company has the right to publish an announcement of a Shareholders' Meeting prior to the deadline specified in paragraph 1 of this article.

The Company Board of Directors may make a decision about additional publications of the announcements of the Shareholders' Meeting in other printed mass media.

5.5. Within the period of preparation for the Meeting, the Board of Directors (and in the events stipulated in the Federal Law, other persons), shall determine:

5.5.1. Form of the Shareholders' Meeting (meeting or absentee vote);

5.5.2. Date, place, time of the Shareholders' Meeting (including the time of start and end of shareholders' registration), and in the event when, in accordance with Article 60 Paragraph 3 of the Federal Law, filled-in ballots may be sent to the Company, then the postal address for the filled-in ballots to be sent or, in the event the Meeting is conducted in the form of absentee vote, then the acceptance deadline for the voting ballots and the postal address for the filled-in ballots to be sent;

5.5.3. Compilation date of the list of persons entitled to participate in the Shareholders' Meeting;

5.5.4. Agenda of a Shareholders' Meeting;

5.5.5. Announcement procedure of a Shareholders' Meeting for shareholders;

5.5.6. The list of information (materials) provided to the shareholders during the period of preparing for the Meeting, and the procedure for providing such information;

5.5.7. Form and text of the voting ballot;

- 5.5.8. Regulation for conducting a Shareholders' Meeting (total duration of the Meeting, breaks, time limits allocated for presentations and speeches on every question and for discussion of the issues, etc.)
- 5.6. A Shareholders' Meeting announcement shall include the following information:
- 5.6.1. Full official name of the Company and the seat of the Company;
- 5.6.2. Form of conducting of the Shareholders' Meeting (meeting or absentee vote);
- 5.6.3. Date, place, time of the Shareholders' Meeting (including the time of start and end of shareholders' registration), and in the event when, in accordance with Article 60 Paragraph 3 of the Federal Law, filled-in ballots may be sent to the Company, then the postal address for the filled-in ballots to be sent or, in the event the Meeting is conducted in the form of absentee vote, then the acceptance deadline for the voting ballots and the postal address for the filled-in ballots to be sent;
- 5.6.4. Compilation date of the list of persons entitled to participate in the Shareholders' Meeting;
- 5.6.5. Agenda of the Shareholders' Meeting indicating the person who placed a respective question on the agenda of the Shareholders' Meeting;
- 5.6.6. Procedure for obtaining information (materials) subject to be submitted during the period of preparation for the meeting, and address (addresses) where it may be obtained.
- 5.7. The following documents constitute the information (materials) that shall be provided to the persons entitled to participate in the Shareholders' Meeting, at the time of preparation for the Shareholders' Meeting: annual accounting reports, including an Auditor's opinion, opinion of the Audit Commission based on the results of an audit of the annual accounts, information on candidates to the Company Board of Directors and to the Company Audit Commission, draft changes and amendments to the Company Charter, or a new draft of the Company Charter, draft Company regulations, draft decisions of the Shareholders' Meeting, Company Annual Report, evaluation of auditor reports prepared by the Audit Committee of the Board of Directors, a report of the Board of Directors of the Company including a motivated position of the Board of Directors regarding the Meeting agenda issues. By decision of the Company Board of Directors, when preparing for the Shareholders' Meeting the shareholders may be provided with special opinions from members of the Company Board of Directors.

Information on the candidates nominated to the Board of Directors and to the Audit Commission of the Company shall include the following:

- Full name;
 - Date of birth;
 - Education;
 - Places of employment for the last five years;
 - Criminal record in financial crimes or crimes against the state;
 - Number of Company shares owned by the candidate;
 - List of all positions held by the candidate in the management bodies of other legal entities (specifying the full name of such legal entities and dates, on which the candidate entered the position).
- 5.8. The list of persons entitled to participate in Shareholders' Meeting is compiled pursuant to the data in the Company Shareholders' register, as of the date set up by the Company Board of Directors. The date for compiling the list of persons entitled to participate in the Shareholders' Meeting can not be set prior to the date when a

decision to call the Meeting was made and more than 50 days (in the events defined by Article 53 Paragraph 2 of the Federal Law – more than 65 days) prior to the date of the Shareholders' Meeting.

If at a Shareholders' Meeting the quorum is calculated and the voting is done by the ballots received by the Company in accordance with Article 58 Paragraph 2 of the Federal Law, the date for compiling the list of persons entitled to participate in the Shareholders' Meeting shall be no less than 45 days prior to the date of the Shareholders' Meeting.

- 5.9. Shareholders' Meeting called in addition to the annual meeting are deemed extraordinary. An Extraordinary Shareholders' Meeting may be called by the Company Board of Directors at its own initiative, upon a request from the Company Audit Commission, Company Auditor as well as the shareholders (shareholder) holding no less than 10 percent of the voting shares of the Company as of the date the request is submitted.
- 5.10. The Company Board of Directors shall call an extraordinary Shareholders' Meeting upon request from the Company Audit Commission, the Company Auditor or shareholders (shareholder) holding no less than 10 percent of voting shares of the Company. A decision to call or refusing to call an extraordinary Shareholders' Meeting upon request from the Audit Commission, the Company Auditor or shareholders (shareholder) holding no less than 10 percent of the voting shares of the Company, must be adopted by the Board of Directors within five days since such a request was made. Such decisions shall be communicated to the parties requesting for an extraordinary Shareholders' Meeting, no later than three days after being made.

A decision to refuse to call an extraordinary Shareholders' Meeting may be made only in the circumstances established by the Federal Law.

- 5.11. An extraordinary Shareholders' Meeting upon request from the Audit Commission, the Company Auditor or shareholders (shareholder) holding no less than 10 percent of the Company voting shares must be held within 40 days since the request is submitted. If election of the Board of Directors is on the agenda of the extraordinary Shareholders' Meeting, then such Meeting must be held within 70 days since the request to call an extraordinary Shareholders' Meeting is submitted.
- 5.12. The Board of Directors is not entitled to make changes in the wording of the agenda items, formulation of the decisions on such issues, and to change the suggested form of having an extraordinary Shareholders' Meeting called upon request from the Audit Commission, the Company Auditor, or shareholders (shareholder) holding no less than 10 percent of the voting shares of the Company.
- 5.13. In the event if within the established period the Board of Directors does not make a decision to call an extraordinary Shareholders' Meeting, or it has refused to call an extraordinary Shareholders' Meeting the Meeting may be called by the bodies or persons requesting it.

In this case expenses related to the preparation and Shareholders' Meeting itself can be reimbursed upon the expense of the Company if approved by the Shareholders' Meeting.

- 5.14. If election of the Board of Directors using a cumulative voting procedure is on the agenda of an Extraordinary Shareholders' Meeting, the shareholders (shareholder) of the Company holding a total of no less than 2 percent of the voting shares of the Company have the right to nominate a number of candidates for the Company

Board of Directors, not exceeding the number of seats on the Company Board of Directors. Such proposals shall be received by the Company no later than 30 days prior to the date of the Extraordinary Shareholders' Meeting.

- 5.15. A shareholder is entitled to participate in Shareholders' Meeting in person as well as to delegate this right to a representative. A shareholder's representative acts at the Shareholders' Meeting within the powers based on the guidelines of the federal laws or acts of the properly authorized state bodies or local self-management bodies, or on the basis of a proxy prepared in written form in accordance with federal laws requirements. A shareholder has the right to replace its representative at a Shareholders' Meeting at any time or personally attend the Meeting at any time.
- 5.16. The voting at a Shareholders' Meeting is made by ballots. Ballots for voting shall be sent to the shareholders no later than 20 days prior to the date of a Shareholders' Meeting.
- 5.17. A Shareholders' Meeting is deemed legally competent (a quorum is present) if in total the attending shareholders own more than half of the votes belonging to outstanding voting shares of the Company.

Shareholders registered to participate at a meeting and shareholders whose ballots are received no later than two days prior to the date of the Shareholders' Meeting shall be regarded as participants at a Shareholders' Meeting. Shareholders whose voting ballots are received before the acceptance deadline for voting ballots are recognized as having participated in the Shareholders' Meeting held by absentee vote.

- 5.18. The procedure for holding a Shareholders' Meeting is established by the Regulation on Shareholders' Meeting of the Company which is approved by a Shareholders' Meeting.
- 5.19. The competence of the Shareholders' Meeting includes the following matters:
 - 5.19.1. Making changes and amendments to the Company Charter or approving a new version of the Company Charter;
 - 5.19.2. Reorganization of the Company;
 - 5.19.3. Liquidation of the Company, appointment of the Liquidation Commission and approval of the interim and final liquidation balance sheets;
 - 5.19.4. Determination of the number of members of the Company Board of Directors, election of its members and early termination of their powers;
 - 5.19.5. Determination of the number, nominal value, category (type) of authorized shares and rights granted by these shares;
 - 5.19.6. Increase of the Company Charter Capital by increasing the nominal value of shares, as well as by placing additional shares in the events provided for by the Federal Law and the Company Charter;
 - 5.19.7. Decrease of the Company Charter Capital by reducing the nominal value of shares through Company's buy-back of shares in order to reduce their total number, as well as through redemption of shares purchased or bought back by the Company;
 - 5.19.8. Election of members of the Audit Commission and early termination of their powers;
 - 5.19.9. Approval of the Company Auditor;

- 5.19.10. Approval of year-end reports, annual accounts, including the Company profit and loss report (profit and loss account), as well as distribution of profit, including dividend payments (announcement), and losses of the Company based on fiscal year results;
- 5.19.11. Determination of the procedure of holding Shareholders' Meeting;
- 5.19.12. Election of members of the counting commission and early termination of their powers;
- 5.19.13. Splitting and consolidation of shares;
- 5.19.14. Making decisions on approval of interested party transactions, in the events provided for by the Federal Law;
- 5.19.15. Making decisions on approval of major transactions provided for by the Federal Law;
- 5.19.16. Approval of shares' buy-back by the Company in the events provided for by the Federal Law;
- 5.19.17. Making decisions on participation in holding companies, financial and industrial groups, associations and other alliances of for-profit organizations;
- 5.19.18. Approval of internal documents regulating the activities of the Company bodies;
- 5.19.19. Making decisions on other matters provided for by the Federal Law.
- 5.20. The decision of a Shareholders' Meeting on questions put to a vote shall be made by a majority vote of the shareholders holding voting shares of the Company, participating in a Shareholders' Meeting, if a greater number of votes is not required in order to make a decision pursuant to the present Charter or legislation of the Russian Federation.
- 5.21. Decision on the issues specified in items 5.19.1. - 5.19.3., 5.19.5. and 5.19.16. of the present Charter shall be adopted by a Shareholders' Meeting with a three-quarter majority vote of shareholders, owners of voting shares, participating at the Meeting.
- 5.22. Decision on the issues specified in items 5.19.2., 5.19.6., 5.19.13. - 5.19.18. are made by the Shareholders' Meeting only if so proposed by the Company Board of Directors.
- 5.23. Decision of a Shareholders' Meeting maybe adopted without an actual meeting (joint attendance of shareholders for discussions of the issues on the agenda and adoption of decisions on questions put to a vote), by absentee voting.
- 5.24. Decisions made by a Shareholders' Meeting, as well as voting results shall be made known to shareholders by means and within the deadlines provided for by the Federal Law.
- 5.25. Establishing the presence of quorum, votes counting and other functions of the Counting Commission are performed by a specialized Registrar that is authorized by the Company Board of Directors to hold the register of Company's shareholders.

6. COMPANY BOARD OF DIRECTORS

- 6.1. General provisions:
 - 6.1.1. Company Board of Directors (hereinafter referred to as the Board of Directors) is the management body of the Company and performs general management of the Company, with the exception of matters delegated by the Federal Law and the

present Charter to the authority of the Shareholders' Meeting.

- 6.1.2. Members of the Board of Directors shall be elected by an Annual Shareholders' Meeting in line with the procedure provided for by the Federal Law, for a term up to the next Annual Meeting.
- 6.1.3. The number of the Board of Directors members is 9 persons. The Board of Directors may recommend a Shareholders' Meeting to amend the present Charter so as to change the number of the members of the Board of Directors.
- 6.1.4. The chairman of the Board of Directors (hereinafter referred to as the Chairman or the Chairman of the Board of Directors) is elected by the Board of Directors members out of them by a majority vote from the total number of the Board of Directors Members. The Board of Directors has the right to reelect the Chairman at any time by a majority vote of the total number of the Board members.
- 6.1.5. When exercising their rights and performing their obligations, the members of the Board of Directors shall act in the interests of the Company, exercise their rights and perform their obligations with regard to the Company wisely and in good faith. They shall be responsible to the company for losses incurred by the Company due to their wrongful act (failure to act), unless federal law makes other provisions for cause and amount of liability.

The members of the Board of Directors who voted against the decision which incurred losses to the Company, or who did not participate in the voting, shall not bear liability. When determining the cause and amount of liability of the Board members business custom and other circumstances relevant to the case shall be taken into account.

- 6.1.6. At the decision of the Shareholders' Meeting, members of the Board of Directors during the term of performing their duties may be remunerated and (or) compensated for the expenses incurred while performing their duties as the members of the Board of Directors.

6.2. Board of Directors' Meetings:

- 6.2.1. Chairman of the Board of Directors or, in the event of his/her absence, one of the members of the Board of Directors, at the discretion of the Board of Directors, shall organize the work of the Board of Directors, call and hold its meetings, arrange for minutes of the meeting, and chair the meetings.
- 6.2.2. Meetings of the Board of Directors shall be held in accordance with the present Charter as often as necessary, but no less than once per six weeks. Meetings are called by the Chairman of the Board of Directors at his/her own initiative, at the request of a Board of Directors member, Audit Commission, Auditor, General Director, as well as the shareholders holding a total of no less than 10 (ten) percent of common shares of the Company (or their representatives), stated in written form with an outline of reasons for the meeting.

The procedure for calling and holding the Board of Directors meeting is determined by an internal Company document – Regulation on the Company Board of Directors.

- 6.2.3. The Board of Directors is entitled to adopt its decisions by absentee vote.
- 6.2.4. Decisions at the meetings of the Board of Directors shall be adopted by a majority vote of the Board Members participating in the meeting unless the legislation of the Russian Federation or this Charter provide otherwise.

- 6.2.5. The Board member who is the General Director of the Company shall not participate in the voting on issues involving determining the amount of remuneration and compensations for the General Director of the Company and approval of the contract terms with the General Director of the Company.
- 6.2.6. When establishing the presence of quorum at the Board of Directors' Meeting and calculating voting results on the issues put forth on the agenda of the Board of Directors' meeting, a written opinion from a Board of Directors' member absent from the meeting must be weighed, provided that such written opinion was received by the Board of Directors prior to the start of the meeting.
- 6.2.7. At the Board of Directors meeting, each member of the Board of Directors has one vote. If the votes of members of the Board of Directors are split equally, the Chairman of the Board of Directors shall have the deciding vote.
- 6.2.8. A Board of Directors' meeting has quorum if at least no less than one half of all elected members of the Board of Directors attend the meeting. In the event if the Board of Directors meeting agenda includes issues set out by items 6.3.3.1, 6.3.3.12, 6.3.3.15 and 6.3.3.26 of the present Charter, as well as issues involving reorganization or liquidation of the Company, increase or decrease of the Company Charter Capital, the Board of Directors' Meeting is deemed to have quorum in the presence of no less than two-thirds of the total number of elected members of the Board of Directors attend the meeting, provided that at least one Independent Director is present at the Meeting, if such a member of the Board of Directors has been elected and is not considered to have withdrawn from the Board of Directors.

With the exception of cases when an "independent director" is defined for the purposes of approving interested party transactions in accordance with Article 83 of the Federal Law, a member of the Board of Directors is recognized as an Independent Director who meets the following criteria:

- (a) at the time of election and within 1 year prior to election shall not be an officer or an employee of the issuer (manager);
- (b) shall not be an officer of another business company, in which any officers of the Company is a member of the Remuneration and Human Resources Committee of the Board of Directors;
- (c) shall not be marital partners, parents, children, brothers or sisters of the officers (manager) of the issuer (an officer of the management company of the issuer);
- (d) shall not be a person affiliated with the issuer, apart from being a member of the Board of Directors of the issuer;
- (e) shall not be a party under a contract with the issuer, pursuant to the conditions of which he/she may acquire property (receive cash) with the value of 10 percent or more of his/her total annual income, in addition to the remuneration for participating in the activities of the Board of Directors of the Company;
- (f) shall not be a representative of the state, i.e. a representative of the Russian Federation or the subjects of the Russian Federation in the Board of Directors of joint stock companies regarding which a decision to exercise the golden share right was made, or a person elected to the Board of Directors from the number of candidates nominated by the Russian Federation or a subject of the Russian Federation or a municipal formations, if such Board Members must vote on the basis of written directives (instructions) of a subject of the Russian Federation, respectively, or a municipal formations.

If a member of the Board of Directors who meets the aforementioned criteria services as a member of the Board of Directors for a period of seven years, upon expiry of this term such a Board Member is no longer recognized as an Independent Director for such purposes.

6.2.9. Minutes of all meetings of the Board of Directors are maintained in compliance with the procedure established by the Federal Law. All minutes must be signed by the Director chairing a meeting of the Board of Directors, who is responsible for the accuracy of preparation of the minutes, and by the Secretary of the Board of Directors.

6.3. Competence of the Board of Directors:

6.3.1. General management of the Company's operations falls under the competence of the Board of Directors except the matters delegated to the Shareholders' Meeting.

6.3.2. Matters assigned to the competence of the Board of Directors by the Federal Law and the present Charter may not be delegated to Company's executive body.

6.3.3. The competence of the Board of Directors shall include the following:

6.3.3.1. Identification of priority directions of Company' operations, concepts and strategy of Company development, as well as means of implementation them, approval of Company plans and budgets, as well as approval of changes to the Company plans and budgets;

6.3.3.2. Approval of the annual consolidated financial reports of the Company;

6.3.3.3. Calling an annual and extraordinary Shareholders' Meeting, unless otherwise provided for by the Federal Law;

6.3.3.4. Approval of the agenda for a Shareholders' Meeting;

6.3.3.5. Setting up the date for compiling a list of persons entitled to participate in the Shareholders' Meeting, and other issues assigned to the Board of Directors' competence in accordance with the Federal Law, and related to preparation and holding the Shareholders' Meeting;

6.3.3.6. Submission to a Shareholders' Meeting of issues set out by Items 5.19.2., 5.19.6., 5.19.13. - 5.19.18. of the present Charter;

6.3.3.7. Placement of Company's bonds and other issued securities, including bonds convertible into shares, options, and other issued securities, in cases provided for by the Federal Law;

6.3.3.8. Determination of the value (monetary valuation) of property, placement or buy-back price of issued securities in cases provided for by the Federal Law;

6.3.3.9. Buying back the shares outstanding, bonds and other securities placed by the Company in cases provided for by the Federal Law;

6.3.3.10. Forming a sole executive body of the Company, i.e. the General Director position, and early termination of his/her powers, determination of the amount of remuneration and compensation package paid to the General Director, approval of and amending the terms of agreement with him/her and terminating such an agreement;

6.3.3.11. Recommendations on the amount of remuneration and compensations to be paid to the members of the Auditing Commission and determining the amount of remuneration for the services of the Company Auditor;

6.3.3.12. Recommendations on the amount of dividends and payment procedures;

- 6.3.3.13. Use of reserve and other funds of the Company;
- 6.3.3.14. Approval of Company internal documents, with the exception of internal documents, the approval of which is assigned to the competence of the Shareholders' Meeting by the Federal Law, as well as other Company internal documents, the approval of which is placed by this Charter in the competence of the Company's executive body;
- 6.3.3.15. Making decisions on transactions involving Company's equity stakes or shares that will or may lead to alienation or encumbrance of such equity stakes or shares, as well as adoption of other decisions that may lead to the changes in the size of equity stakes in other companies (decision not to exercise the preemptive right to acquire shares (stakes), to participate in subscription for shares, etc.);
- 6.3.3.16. Creation (liquidation) of branches and opening (closing) of representative offices of the Company;
- 6.3.3.17. Approval of major transactions in the cases provided for by the Federal Law;
- 6.3.3.18. Approval of interested party transactions in the cases provided for by the Federal Law;
- 6.3.3.19. Approval of Company Registrar and terms of the contract with the Registrar, as well as termination of such contract;
- 6.3.3.20. Increase of the Company Charter Capital by placing additional shares limited by the number and categories (types) of the declared shares;
- 6.3.3.21. Approval of a Company's securities issues, securities' placement report and securities prospectus in compliance with the federal laws and other legislative acts;
- 6.3.3.22. Making a decision to call the Shareholders' Meeting of a subsidiary company and approval of its agenda if by the subsidiary's charter this matter is not delegated to the competence of another party or body of that company;
- 6.3.3.23. Introduction of amendments and supplements to the Company Charter in cases provided for by the Federal Law;
- 6.3.3.24. Control over the execution of budgets approved by the Board of Directors;
- 6.3.3.25. Approval of regulations on branches and representative offices of the Company;
- 6.3.3.26. Approval of the Company's dividend policy;
- 6.3.3.27. Approval of the system and procedures of internal control and of management information system;
- 6.3.3.28. Making decisions on appointment (dismissal) of the Company's head of the control and audit service and determination of his/her remuneration amount;
- 6.3.3.29. Approval of candidates' requirements and staff appointment procedure of the control and audit service of the Company;
- 6.3.3.30. Approval of Regulation on the control and audit service of the Company;
- 6.3.3.31. Setting up qualification requirements for candidate for the position of the General Director of the Company;
- 6.3.3.32. Making decisions on appointing to the position (dismissal) of the Company Secretary, defining the terms of agreement with the Secretary, including determination of amount remuneration of the Company Secretary;
- 6.3.3.33. Approval of Regulation on the Company Secretary;

- 6.3.3.34. Making a decision on transactions valued at 5 (five) or more percent of the book value of assets of the Company, as of the last balance sheet reporting date;
- 6.3.3.35. Identification of the main risks related to the Company's activities, and implementation of measures and procedures to manage such risks;
- 6.3.3.36. Approval of public and investor relations policy;
- 6.3.3.37. Monitoring the Company management and its financial and economic activities, evaluating operations of the Company General Director, control over executing the decisions of the Board of Directors;
- 6.3.3.38. Making a decision on inviting independent observers to control the vote counting procedure at the Shareholders' Meeting;
- 6.3.3.39. Creating Board of Directors Committees made up of the members of the Board of Directors;
- 6.3.3.40. Election and dismissal of the deputy (deputies) of the Chairman of the Board of Directors;
- 6.3.3.41. Making decisions to appoint (dismiss) the Board of Directors Secretary;
- 6.3.3.42. Resolving the issue of the voting procedure at the general meetings of shareholders (participants) of companies, whose shares or equity stakes are owned by the Company, in relation to the issues of increasing charter capital, on reorganization and liquidation of such companies;
- 6.3.3.43. Other matters provided for by the Federal Law and this Charter.
- 6.4. The Secretary of the Company is elected by the Board of Directors for a term of 1 (one) year. The authority of the Company Secretary may be prematurely terminated by the decision of the Board of Directors.
- 6.5. The Secretary the Company shall:
 - Supervise the compliance of the Company bodies and officers with the procedural requirements guaranteeing the rights and interests of the Company's shareholders;
 - Control preparation and conduct of the Shareholders' Meeting pursuant to the legislation of the Russian Federation, this Charter and internal documents of the Company;
 - Render assistance to the members of the Board of Directors in executing their functions;
 - Ensure the storage of the Company's charter and registration documents, minutes of the Shareholders' Meeting and Board of Directors meetings, voting ballots, as well as proxies (copy of proxies) to participate at the Shareholders' Meeting;
 - Supervise the disclosure (submission) of Company information at the request of shareholders, as well as to the federal government body on the securities market and other state authorities;
 - Review the Company shareholders' queries in relation to shareholders' registration before the Shareholder's Meeting.
- 6.6. In the event if the Company enters into a major transaction, the decision on its approval shall be made by the Board of Directors or a Shareholders' Meeting prior to its conclusion.
- 6.7. For the Board of Directors and the General Meeting to make a decision on the approval of a major transaction, the value of property (services) being alienated or

acquired is determined by the Board of Directors in accordance with Article 77 of the Federal Law with a mandatory invitation of an independent valuator.

- 6.8. The members of the Board of Directors shall disclose information about their ownership of the Company's securities, as well as about their sale and/or purchase of the Company's securities.

7. EXECUTIVE BODY OF THE COMPANY

- 7.1. Management of day-to-day operations of the Company is performed by the General Director of the Company (the sole executive body). The General Director of the Company (hereinafter referred to as the General Director) shall perform his/her duties in strict compliance with the Federal Law, other laws and normative legal acts of the Russian Federation, this Charter, internal documents of the Company and the employment contract signed by the General Director.
- 7.2. The rights and responsibilities of the General Director with regard to management of the Company's day-to-day operations shall be determined by the Federal Law, other legal acts of the Russian Federation, this Charter, internal documents of the Company and by the contract entered into by the Company. This said Contract is signed by the Chairman of the Board of Directors or any other person authorized by the Board of Directors. The Board of Directors may terminate the Contract with the General Director any time.
- 7.3. The General Director is elected for a term of 3 (three) years.
- 7.4. The General Director without a power of attorney acts on behalf of the Company, including: representing its interests, entering into deals on behalf of the Company, approving staff, issuing orders and giving instructions mandatory for all Company employees; approving internal documents of the Company that regulate production and technological, financial, accounting, economic, staffing, social and household issues, as well as issues of labor, safety and file management, as well as making decisions regarding current operations of the Company, the decisions, which are not placed by the Charter in the competence of the Shareholders' Meeting or of the Board of Directors.
- 7.5. The General Director, while executing the rights and performing the responsibilities, shall act in the interests of the Company, exercise the rights and perform the responsibilities for the Company wisely and in good faith. He is liable to the Company for the losses caused to the Company by his wrongful actions (inaction) in accordance with the legislation of the Russian Federation. When determining the cause and amount of liability, terms of the employment contract and standard business practice must be taken into account as well as other circumstances important for the case.
- 7.6. The General Director is responsible for organizing the work related to the use of information constituting a state secret, as well as for the implementation of a system for protecting such information, as well as for ensuring the recording and storage of the documents containing employees' files and for the performing by the Company and its employees of the responsibilities arising from the Federal Law On Defense.
- 7.7. The person performing the functions of the sole executive body, including a management company (manager) and its officers must disclose information about their ownership of the Company's securities as well as about its sale or purchase of the Company's securities.

8. CONTROL OVER THE COMPANY'S FINANCIAL AND ECONOMIC OPERATIONS

- 8.1. The control over the Company's financial and economic activity is exerted by the Audit Commission.
- 8.2. The Shareholders' Meeting shall elect an Audit Commission consisting of 5 (five) members. Its activities are regulated by the Regulation on the Audit Commission, which is approved by the Shareholders' Meeting.

The members of the Audit Commission may not at the same time be the members of the Board of Directors, nor occupy any positions in the Company's management bodies.
- 8.3. The Audit Commission shall conduct audits at the year-end, as well as at any time at the initiative of the Audit Commission, pursuant to the decision of the Shareholders' Meeting, of the Board of Directors, or at the request of shareholders holding not less than 10 (ten) percent of the Company's voting shares.
- 8.4. At the request of the Audit Commission, the persons occupying positions in the Company management bodies must provide documents on Company's financial and economic activities.
- 8.5. The Auditor shall conduct an audit of the Company's financial and economic activities in compliance with the Russian Federation legal acts and on the basis of the agreement signed by the Auditor and the Company.
- 8.6. Pursuant to the audit results of financial and economic operations, the Audit Commission and the Auditor shall render its opinion compliant in the format determined by the federal laws and other legal acts of the Russian Federation.
- 8.7. The Audit Commission and the Auditor are entitled to call an extraordinary Shareholders' Meeting pursuant to the procedure provided for by the Federal Law.

9. ACCOUNTING AND REPORTING OF THE COMPANY

- 9.1. The Company shall keep accounting records and submit financial reports pursuant to the procedure established in the Federal Law and in other legal acts of the Russian Federation.
- 9.2. The Company shall store and provide the shareholders with access to the documents pursuant to the Federal Law, other laws and normative legal acts of the Russian Federation.
- 9.3. Pursuant to the Federal Law, other legal acts and the Company Charter, the General Director of the Company shall be responsible for the setup, quality and accuracy of the accounting records of the Company, timely submission of the annual report and other financial reports to the appropriate bodies as well as for the data about the Company business provided to the shareholders, creditors and mass media,
- 9.4. The members of the Board of Directors and the executive body of the Company are not allowed to disclose confidential and insider information, except in cases when the disclosure of such information is provided for by the current legislation of the Russian Federation, nor use confidential and insider information for purposes not related to their professional activities. Herein insider information shall mean substantial information about the Company's activities, shares and other securities, and transactions therewith, that is not publicly available, and the disclosure of which may substantially affect the market value of other shares and securities of the

Company.

- 9.5. The members of the Board of Directors and of the executive body of the Company shall bear liability for the disclosure of confidential and insider information pursuant to the current legislation of the Russian Federation.
- 9.6. The annual Report of the Company is subject to preliminary approval by the Board of Directors no later than 30 days prior to the day of the Annual Shareholders' Meeting. The Annual Report of the Company must contain (inter alia) a list of persons that pursuant to the data in the Company shareholders register own 5 and more percent of the voting shares of the Company, as well as the report of the Board of Directors.
- 9.7. The Company must keep the following documents:
 - 9.7.1. Company Charter, amendments and additions made to the Company Charter, registered pursuant to the established procedure, resolution to create the Company, state registration certificate of the Company;
 - 9.7.2. Documents confirming the right of the Company to the property on its balance sheet;
 - 9.7.3. Internal documents of the Company;
 - 9.7.4. Regulations on branches and/or representative offices of the Company;
 - 9.7.5. Annual Reports;
 - 9.7.6. Accounting records;
 - 9.7.7. Accounting reports;
 - 9.7.8. Minutes of the Shareholders' Meetings, meetings of the Board of Directors, and of the Audit Commission;
 - 9.7.9. Voting ballots as well as proxies (copies of proxies) for participation in the Shareholders' Meeting;
 - 9.7.10. Independent valuation reports;
 - 9.7.11. Lists of affiliated parties of the Company;
 - 9.7.12. Lists of persons that have the right to participate in the Shareholders' Meeting, entitled to receive dividends, as well as other lists compiled by the Company in order to secure the shareholders' rights pursuant to the requirements of the Federal Law;
 - 9.7.13. Opinions of the Audit Commission, the Company Auditor, state and municipal financial control authorities;
 - 9.7.14. Securities' prospectuses, quarterly reports of the issuer, and other documents that contain information subject to publication or disclosure in any other way pursuant to the Federal Law or other federal laws;
 - 9.7.15. Other documents stipulated in the Federal Law, the Company Charter, internal Company documents, resolutions of the General Meeting of Shareholders and Board of Directors, as well as documents stipulated in the legal acts of the Russian Federation.
- 9.8. The Company must provide the shareholders with access to documents stipulated in item 9.7 of this Charter. Whereas, the accounting records may be accessed only by the shareholders (a shareholder) holding in total no less than 25% of the voting shares of the Company.

- 9.9. The Company must publish the following documents in the mass media accessible to all shareholders of the Company:
- 9.9.1. Annual report of the Company, balance Sheet and profit and loss account;
 - 9.9.2. Equity issue prospectus of the Company in cases provided for by the legal acts of the Russian Federation;
 - 9.9.3. Shareholders' Meeting announcement according to the procedure provided for by the Federal Law and the present Charter;
 - 9.9.4. Lists of affiliated parties of the Company, specifying the number and categories (types) of shares they hold;
 - 9.9.5. Other information determined by the legislation of the Russian Federation.
- 9.10. Affiliated parties of the Company must notify the Company in writing of the Company shares owned by them, specifying their number and categories (types) no later than in 10 days from the date of purchasing the shares.

In the event if due to the failure of an affiliated party to provide the specified information or to provide it in time the Company incurs pecuniary loss, the affiliated party shall be liable to the Company in the amount of the inflicted damage.

10. CLOSING PROVISIONS

- 10.1. Upon the decision of the Shareholders' Meeting, the Company may be reorganized in the order provided by the laws and normative legal acts of the Russian Federation.
- 10.2. The Company may be liquidated:
- Voluntarily at the decision of the Shareholders' Meeting, pursuant to the procedure set out by the Civil Code of the Russian Federation and with consideration of requirements set out by the Federal Law and this Charter;
 - Pursuant to a court ruling due to the grounds provided for by the Civil Code of the Russian Federation.
- The liquidation of the Company shall entail its termination without transfer of rights and responsibilities in the order of legal succession to other persons.
- 10.3. In the event of changes in the form of ownership of the Company, the reorganization or liquidation of the Company, or the termination of work with the use of information constituting a state secret, the General Director of the Company shall undertake proper measures in order to protect this information and its carriers.
- 10.4. The Company does not have branches or representative offices.