
APPROVED

by the decision of the extraordinary General Shareholders' Meeting

CJSC "INK-Capital"

"30" August 2010

minutes no.13

Chairman of the Meeting

Sedykh M.V.

CHARTER

OF CLOSED JOINT-STOCK COMPANY

"INK-Capital"

Irkutsk

2010

Article 1. GENERAL PROVISIONS

1.1. Closed Joint Stock Company “INK-Capital” (the “**Company**”) is incorporated in accordance with decision no.1 of the sole founder dated March 11, 2008, and legislation of the Russian Federation.

1.2. The Company is governed by the RF Civil Code, the Federal Law of the RF “On Joint Stock Companies”, other Russian Federation legislation and the present Charter.

1.3. The full registered name of the Company in Russian is: Закрытое акционерное общество «ИНК-Капитал».

The abbreviated registered name of the Company in Russian is: ЗАО «ИНК – Капитал».

The full registered name of the Company in English is: Closed Joint-Stock Company “INK-Capital”.

The abbreviated registered name of the Company in English is: CJSC “INK-Capital”

1.4. The Company’s location is 12, Rossiiskaya str., Irkutsk, 664025, Russian Federation.

1.5. The Company’s postal address is 12, Rossiiskaya str., Irkutsk, 664025, Russian Federation.

1.6. The duration of the Company shall be unlimited.

Article 2. PURPOSE OF INCORPORATION AND ACTIVITIES OF THE COMPANY

2.1. The basic purpose of the Company’s incorporation is commercial activity for making a profit.

2.2. The Company’s activities are:

- Development of hydrocarbons’ fields;
- Processing of hydrocarbons;
- Rendering well-drilling services;
- Wholesale and retail trade in crude oil and petroleum products;
- Storage of crude oil and petroleum products;
- Construction and operation of hydrocarbon processing facilities;
- Construction and operation of pipelines and transportation of hydrocarbons by pipelines;
- Arranging transportation of crude oil and petroleum products;
- Harvesting and processing of wood;
- Wholesale trade in wood products;
- Operation of petrol stations;
- Foreign economic and foreign trade activity, export-import operations;
- Design and construction of residential and non-residential building and premises;
- Sales, business and agency activity;
- Rendering legal, information, audit, distributive, brokerage, marketing, advertising, advisory, factoring, trust-managing, agency, dealer, consignment, storage, representation (including commercial representation) and other services to domestic and foreign legal entities and physical persons;
- Rendering services related to acting as management company;
- Conducting research and development, technological, adjustment, expert, innovation, implementation, repair and design works; arranging implementation of high-performance equipment and technologies, patenting and other works;
- Operation of own and chartered transport;
- Rendering services on customs clearance of goods;
- Rendering advisory services on organization and operation of business entities, making and registering issue prospectuses;

- Transport-expediting activity;
- Maintenance and operation of motor roads;
- Property trust management;
- Other activities not prohibited by law.

2.3. All the above activities are conducted in accordance with the applicable RF legislation. Certain activities determined by special federal laws can be carried out by the Company only under a special permission (license).

In case a special permission (license) for certain activity requires to carry out such activity only, the Company may not conduct other activities during the term of validity of such permission (license) except for the activity stipulated in a special permission (license) and associated activities.

Article 3. LEGAL STATUS OF THE COMPANY

3.1. The Company is a legal entity under legislation of the Russian Federation and shall be deemed incorporated as a legal entity from the date of its state registration in the prescribed manner. The Company has settlement and other accounts in banks, stamp and seal containing its name and location, standard forms, trade mark and service marks.

3.2. The Company owns property as included on its independent balance sheet, and may, in its own name, acquire and exercise property and personal non-property rights, assume responsibilities, and sue and be sued in a court.

3.3. The Company has civil rights and incurs civil obligations required to carry out any activities not prohibited by federal law in accordance with the purpose and types of activities indicated in article 2 of the present Charter.

3.4. The Company shall be liable for its obligations to the extent of all its property.

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

3.6. The shareholders of the Company shall not be liable for its obligations and shall bear the risk of losses related to the Company's activity to the extent of value of their shareholding.

The shareholders who have not paid for their shares in full shall be jointly liable for Company's obligations to the extent of a value of their unpaid shares.

3.7. Should the insolvency (bankruptcy) of the Company be caused by actions (inactions) of its shareholders or other persons entitled to give obligatory instructions to the Company or can otherwise determine its actions, these shareholders or other persons shall be jointly liable for the Company's obligations in case of the lack of Company's property.

3.8. The Russian Federation, constituents of the Russian Federation and municipalities shall not be liable for Company's obligations nor shall the Company be liable for obligations of the Russian Federation, constituents of the Russian Federation and municipalities.

3.9. The Company shall ensure its economic security, determine the content, volume and protection procedure for confidential information, carry out works connected with using of information classified as state secret, demand economic security and confidential information protection from its employees (staff), and supervise the compliance of economic security and confidential information protection procedure.

3.10. The Company shall carry out works and render services at prices fixed by its own discretion under concluded contracts. State controlled prices shall be applied by the Company only in cases provided by federal laws.

3.11. To conduct its business the Company shall also be entitled to:

- Participate and create business entities, partnerships and other legal entities in the Russian Federation and other countries in accordance with the procedure established by law;
- Participate in associations and other types of business combinations;
- Arrange and participate in specialized exhibitions and fairs;
- Hold auctions and contests;
- In its own name conduct transactions (contracts, agreements) including sales and purchase

contracts, construction contracts, rent contracts, insurance contracts, contracts of employment, contracts for transportation, commission contracts, contracts for storage, exchange contracts, sponsorship contracts, credit contracts, contracts of pledge, bank account agreements (administer funds of bank accounts), bank deposit and other contracts;

- Conduct transactions in foreign currency;
- Use credits in rubles and foreign currency;
- Independently determine wage forms and systems, labor management and internal work regulations;
- Issue, sell and purchase equity securities in accordance with legislation; conduct other equity securities transactions to the extent established by RF legislation, including conclusion of sales and purchase contracts and exchange contracts etc. for bills of any issuers without a license with the right of endorsement.
- Use buildings, premises, transportation and other property; purchase and dispose property; transfer assets;
- Exercise other rights in accordance with the purposes as described in the present Charter and applicable legislation.

Article 4. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY

4.1. The Company may establish branches and representative offices in compliance with the requirements of applicable legislation and the present Charter, and outside the Russian Federation – in compliance with legislation of a foreign state where branches and representative offices are established, unless otherwise provided by international treaties of the Russian Federation.

4.2. A branch and representative office shall not be a legal entity and shall act based on regulations approved by the Company. A branch and representative office are provided with property by the Company and such property is listed both in their separate balance sheets and the Company's balance sheet.

Heads of branches and representative offices of the Company shall be appointed by the General Director of the Company and act by virtue of a power of attorney issued by the General Director of the Company.

Branches and representative offices shall operate on behalf of the Company, which shall be liable for their activity.

4.3. The Company's Charter shall contain information of Company's branches and representative offices.

Article 5. CHARTER CAPITAL AND COMPANY'S SHARES

5.1. The charter capital of the Company determines the minimum property ensuring interests of its creditors and amounts to 30,000,000 (Thirty million) rubles.

5.2. The charter capital is divided into 30,000 (thirty thousand) common registered shares, each share having a nominal value of 1,000 (one thousand) rubles, purchased by shareholders (outstanding shares).

5.3. All Company's shares are issued in non-documentary form.

5.4. Additionally to the outstanding shares, the Company is entitled to issue 3,334 (Three thousand three hundred thirty four) ordinary registered shares, each share having a nominal value of 1,000 (one thousand) rubles (declared shares).

5.5. Shareholders shall pay for the shares in accordance with the schedule and procedure provided for by the RF Civil Code, Federal Law of the RF "On Joint Stock Companies", the Company Charter and share purchase agreement.

5.6. Number of votes at the disposal of each shareholder shall be equal to the number of ordinary shares paid by this shareholder in full.

5.7. A shareholder shall not be excused from the liability of payment for shares including exclusion from this liability through the offset to the Company.

5.8. Increase of the charter capital by increasing of the nominal value of shares or placement of additional shares within the limits of declared shares, and making amendments to the Company Charter shall be made based on the decision of the general shareholders' meeting.

5.9. Additional shares shall be paid for during the time fixed in accordance with the resolution on their placement, but not later than one year from the date of their placement (acquisition).

5.10. The Company shall be entitled to use all its net profit or its part gained subsequent to the results of a fiscal year for payment of increased charter capital. In such a case those shares paid from the net profit which is assigned to a shareholder shall be proportional to the number of shares paid by this shareholder by the date of a resolution on using net profit to increase charter capital.

5.11. The schedule and procedure of payment for outstanding additional shares shall be determined by the resolution on their placement.

5.12. A share shall not give voting right until the moment it is fully paid except for those shares purchased by the founders at the Company's establishment. Should a share be not fully paid by the date set forth in the present Charter, it shall be disposed by the Company and this fact shall be recorded in the Company's shareholders' register.

5.13. The payment for additional shares may be in cash, securities, other property rights or other rights which have monetary value. The form of payment for the Company's shares shall be determined by the decision on their placement.

5.14. The Company may decrease the charter capital by both decreasing of the shares' nominal value and reducing their total number by means of acquisition and retirement of a part of shares.

5.15. The Company may decrease its charter capital only provided that as a result it will not become lower than the charter capital fixed in accordance with the Federal Law "On Joint Stock Companies".

5.16. In cases directly provided for by law the Company is obliged to declare about decrease of its charter capital.

5.17. Within 3 (Three) business days following the decision on reduction of the charter capital the Company is obliged to inform an authority in charge of state registration of legal entities about such decision. The Company is also obliged to put two notifications on reduction of its charter capital, 1 (One) notification in month, to the media which publish data on state registration of legal entities.

5.18. The Company shall be entitled to purchase shares which it has placed upon the decision of the general shareholders' meeting.

5.19. The Company may not purchase shares which it has placed in cases prohibited by law.

5.20. In cases provided for by the Federal Law "On Joint Stock Companies" and other cases provided for by law, shareholders shall be entitled to demand full or partial repurchase of shareholding from the Company. The procedure of determination of the share market value is provided for by law and in the event of absence of such legal rules it shall be determined by usual business practice.

5.21. Company's shareholders are entitled to dispose their shares without consent from other Company's shareholders to any persons only with due account for items 5.22-5.24 of the present Charter. Heirs of a shareholder or its assign being a legal entity shall have the right for shares obtained through inheritance (succession) regardless of the consent from other shareholders.

5.22. Company's shareholders shall have a preemptive right to purchase shares being sold by other Company's shareholders at a price proposed to a third party.

5.23. Should shareholders fail to use their preemptive right to purchase shares, the Company will gain the preemptive right.

5.24. Should shareholders fail to exercise their preemptive right to purchase shares within 45 (Forty five) days following the date of submission of a respective offer, a shareholder wishing to

sell its shares shall send such offer to the Company. Should the Company fail to exercise its preemptive right within 45 (forty five) days, a shareholder shall be entitled to sell shares to any stakeholders.

5.25. All disputes on acquisition and sale of shares shall be settled in a court.

5.26. The Company shall be entitled to issue preferred shares which stake shall not exceed 25 (twenty five) per cent of the total charter capital. Upon resolution on issue and placement of preferred shares the Company is obliged to make respective amendments to its constituent documents.

5.27. The Company shall be entitled to place bonds and other securities provided for by RF legal acts on securities.

5.28. The resolution on placement of securities shall be passed by the general shareholders' meeting or the Board of Directors.

Article 6. RIGHTS AND OBLIGATIONS OF COMPANY'S SHAREHOLDERS. SHAREHOLDERS' REGISTER

6.1. Each ordinary share shall give its holder an equal measure of rights.

6.2. A shareholder is entitled:

- To participate in the Company's management including general shareholders' meetings in person or by proxy; to elect and be elected to elective offices in the Company;
- To receive information on Company's activity and learn accounting and other documents in accordance with the procedure provided for by law and the present Charter;
- To participate in distribution of profit;
- To receive a part of profit (dividend) to be distributed between shareholders in proportion to the number of shares held;
- To receive a part of property (or its money equivalent) in proportion to the number of shares held in case of Company's liquidation;
- To demand and receive copies (extracts) from minutes and resolutions of the general shareholders' meeting of the Company, as well as copies of resolutions of other Company's management bodies.

6.3. A shareholder is obliged:

- To pay for purchased shares pursuant to the schedule and procedure provided for by the present Charter and applicable law. General meeting shall be entitled to pass resolution on payment of dividends to a shareholder only from the date of full payment for all shares it declare for purchase;
- To observe requirements of the Charter and implement resolutions of Company's management bodies passed within their competence;
- To disclose no commercial classified data;
- To duly inform the Company's Board of Directors, Internal Auditor and Company's auditor about transactions which a shareholder is aware of, and (or) planned transactions to be concluded by the Company in which they may be identified as interested parties. In case shareholders are interested in a transaction to be concluded by the Company, they shall provide information on legal entities where they hold 20% (twenty per cent) or more voting shares (participatory interest) independently or jointly with their affiliated party(s), and legal entities where they hold management offices.

6.4. Shareholder may have other rights and obligations provided for by the present Charter and applicable law.

6.5. The holder of the shareholders' register is the Company. Upon resolution of the Company's Board of Directors the Company is entitled to instruct special registrar to maintain the shareholders' register.

6.6. The Company shall ensure maintenance and storage of the shareholders' register in accordance with legal acts of the Russian Federation. This register contains the data on every

registered person, number and categories of shares assigned to each registered person, and other data provided for by legal acts.

6.7. A person registered in the shareholders' register shall be obliged to duly inform the holder of the register about changes of his/her data. Should such person fail to provide changed data, the Company shall not be held liable for related losses.

6.8. Recording to the shareholders' register and refusal from such recording shall be made in accordance with the grounds and procedure set forth by applicable law. Refusal from recording to the shareholders' register may be appealed to a court.

Article 7. ADMINISTRATION OF THE COMPANY

7.1. Management bodies of the Company are:

- general shareholders' meeting;
- Board of Directors; and
- sole executive body (General Director).

In case a liquidation commission is appointed, all administration of the Company shall be transferred to it.

7.2. The body supervising financial and economic activity of the Company is Internal Auditor.

7.3. The Board of Directors and Internal Auditor shall be elected by the general shareholders' meeting.

7.4. The General Director of the Company shall be elected by the Board of Directors. The General Director shall be appointed by the general meeting of the founders at the moment of Company's establishment.

7.5. The Board of Directors shall appoint a special person – Corporate Secretary – to ensure that bodies and officers observe procedural requirements which secure exercising of rights and interests of Company's shareholders.

The term of office of the Company's Corporate Secretary is 5 (five) years.

Functions of the returning committee and secretary of general shareholders' meeting shall be carried out by the Company's Corporate Secretary or other person authorized by the Board of Directors of the Company.

7.6. There may be additional internal structures (including boards, committees and commissions) subordinating to some management body created in the Company.

7.7. The liquidation commission at voluntary liquidation of the Company shall be elected by general shareholders' meeting, while in case of forced liquidation it shall be appointed by a court (arbitration court).

Article 8. GENERAL SHAREHOLDERS' MEETING

8.1. The supreme management body of the Company is general shareholders' meeting.

A resolution of the general shareholders' meeting shall be passed by joint presence of shareholders for discussion of agenda items and passing resolutions on voting issues, or by absentee meeting.

The Company is obliged to hold annual general shareholders' meeting every year not earlier than 2 (two) months and not later than 6 (six) months after the end of a fiscal year.

The general shareholders' meeting shall be held at the location of the Company (Russia, Irkutsk), in Moscow (RF) or other place fixed by an internal document of the Company providing the procedure of convocation and holding of the general shareholders' meeting.

8.2. The competence of the general meeting includes the following issues:

1) amendments and additions to the Company Charter or approval of the new edition of the Company Charter (except for the cases provided for by the Federal Law "On Joint Stock Companies")'

- 2) reorganization of the Company;
 - 3) liquidation of the Company, appointment of the liquidation commission; approval of interim and final liquidating balances;
 - 4) election of members of the Company's Board of Directors and early termination of their powers; establishment of the executive body of the Company and early termination of its powers in cases provided for by the Federal Law "On Joint Stock Companies";
 - 5) election of the Internal Auditor of the Company and early termination of his/her powers;
 - 6) approval of the Company's auditor;
 - 7) determination of a number, nominal value and category (type) of declared shares and rights given by these shares;
 - 8) increase of the charter capital by increase of the nominal value of shares and placement of additional shares within the limits of declared shares;
 - 9) approval of the resolution on placement of issued equity securities of the Company converted into shares by closed subscription;
 - 10) increase of the Company's charter capital by placement of additional shares within the limits of a number and categories (types) of the declared shares;
 - 11) decrease of the Company's charter capital by reducing the nominal value of shares through purchase of a part of shares by the Company in order to reduce their total number, as well as by retirement of shares purchased and repurchased by the Company (shares at the disposal of the Company);
 - 12) approval of annual reports, annual accounting statements including profit and loss statements (income and expenditures statements) of the Company, as well as distribution of profit including payment (declaration) of dividends and losses of the Company subsequent to the results of a fiscal year;
 - 13) determination of the procedure of holding of the general shareholders' meeting;
 - 14) split and consolidation of shares;
 - 15) passing resolutions on approval of transactions in cases provided for by article 83 of the Federal Law "On Joint Stock Companies";
 - 16) passing resolutions on approval of major transactions in cases provided for by article 79 of the Federal Law "On Joint Stock Companies";
 - 17) passing resolution on participation in holding companies, financial and industrial groups, associations and other unions of commercial organizations;
 - 18) approval of internal documents governing the activity of Company's bodies excluding those falling into the competence of other management bodies of the Company;
 - 19) passing resolution on remuneration and (or) compensation for expenses to Board Members related to execution of their duties as Board Members during the period of their duties; fixing amounts of such remuneration and compensation including by approval of the regulation on remunerations and compensations as well as amendments and additions hereto.
 - 20) passing resolution on compensation for expenses for the Company's account related to preparation and holding of the extraordinary general shareholders' meeting to persons and bodies initiated such meeting;
 - 21) determination of the list of additional documents to be stored by the Company;
 - 22) settlement of other issues provided for by the Federal Law "On Joint Stock Companies";
- and
- 23) payment (declaration) of dividends subsequent to the results of the first quarter, six months and nine months of a fiscal year.

8.3. The general shareholders' meeting may not discuss and pass resolutions on issues not falling into its competence as per the law and Company Charter.

8.4. The general shareholders' meeting may not pass resolutions on issues not included into the agenda of a meeting, nor change the agenda;

8.5. The Chairman of the Company's Board of Directors or other Board Member authorized by the Chairman orally or in writing shall preside at the general shareholders' meeting.

8.6. A resolution of the general shareholders' meeting on voting issue shall be passed by the majority of votes of the shareholders who are owners of voting shares of the Company participating in the meeting, unless the Federal Law "On Joint Stock Companies" provides otherwise.

8.7. The general shareholders' meeting shall pass resolutions on the below issues only at the suggestion of the Board of Directors:

- 1) reorganization of the Company;
- 2) increase of the charter capital by increase of the nominal value of shares or placement of additional shares within the limit of the declared shares;
- 3) increase of the charter capital by placing of additional shares within the limit of a number and categories (types) of the declared shares;
- 4) decrease of the charter capital by reducing the nominal value of shares through purchase of a part of shares by the Company in order to reduce their total number, as well as by retirement of shares purchased and repurchased by the Company (shares at the disposal of the Company);
- 5) split and consolidation of shares;
- 6) passing resolutions on approval of transactions in cases provided for by article 83 of the Federal Law "On Joint Stock Companies";
- 7) passing resolutions on approval of major transactions in cases provided for by article 79 of the Federal Law "On Joint Stock Companies";
- 17) passing resolution on participation in holding companies, financial and industrial groups, associations and other unions of commercial organizations;
- 18) approval of internal documents governing the activity of Company's bodies.

8.8. The general shareholders' meeting shall pass resolutions on the below issues by three-fourth majority of votes of the shareholders who are owners of voting shares participating in the general meeting:

- 1) amendments and additions to the Company Charter or approval of a new edition of the Company Charter (except for the cases provided for by the Federal Law "On Joint Stock Companies");
- 2) reorganization of the Company;
- 3) liquidation of the Company, appointment of the liquidation commission; approval of interim and final liquidating balances;
- 4) determination of a number, nominal value and category (type) of declared shares and rights given by these shares; and
- 5) acquisition of outstanding shares by the Company.

8.9. Registration of persons entitled to participate in the general shareholders' meeting closes upon completion of the discussion of agenda items at the general shareholders' meeting.

Calculation of votes at the general shareholders' meeting on a voting issue at resolution of which shareholders owning ordinary and preferred shares have a voting right shall be made jointly on all voting shares, unless otherwise provided for by federal law.

8.10. Resolutions passed by the general shareholders' meeting as well as voting results shall be announced at the general shareholders' meeting, where the voting took place, or persons included into the list of persons entitled to participate in the general shareholders' meeting shall be informed on the resolutions and voting results within 10 (ten) days following the completion of the minutes on voting results in form of the report on voting results in accordance with the procedure set forth for the notification on the general shareholders meeting.

Voting results on issues related to election of Board Members and Internal Auditor of the Company are subject to announcement at the general meeting and come into effect upon their announcement.

Minutes of the general shareholders' meeting shall be completed within 3 (three) business days following the day of the general shareholders' meeting in two original copies. Both copies shall be signed by a chairman and a secretary of the general shareholders' meeting.

Functions of a secretary of the general shareholders' meeting shall be performed by a person carrying out functions of the returning commission. In the event of absence of the indicated persons,

functions of a secretary of the general shareholders' meeting shall be performed by a person elected by the shareholders present at the general shareholders' meeting prior to the discussion of an agenda.

8.11. The notification on the general shareholders' meeting shall be provided not later than 20 (twenty) days prior to the meeting and in case the agenda includes reorganization of the Company such notification shall be provided not later than 30 (thirty) days prior to the meeting.

In cases provided for by items 2 and 8 of article 53 of the Federal Law "On Joint Stock Companies" the notification on the general shareholders' meeting shall be made not later than 70 (seventy) days prior to the meeting.

The notification on the general shareholders' meeting shall be provided to each shareholder by hand against signature or sent by registered mail or DHL, UPS or other first class international express mail service to the address indicated in the shareholders' register.

At holding of the general shareholders' meeting a voting ballot shall be sent or handed against signature to each person indicated in the list of persons entitled to participate in the general shareholders' meeting. A voting ballot shall be sent by registered mail or DHL, UPS or other first class international express mail service to the address indicated in the shareholders' register not later than 20 (twenty) days prior to the general shareholders' meeting.

8.12. Information (materials) which shall be provided to persons entitled to participate in the general shareholders' meeting to get prepared for the general shareholders' meeting includes annual reports, annual accounting statements including the auditor's report, the report of the Internal Auditor of the Company on the results of examination of annual accounting statements, information on a candidate (candidates) to the Board of Directors, Internal Auditors and Company's auditors, draft of amendments and additions to the Company Charter or draft of the new edition of the Company Charter, drafts of internal documents of the Company to be approved by the general shareholders' meeting, drafts of resolutions of the general shareholders' meeting and other documents in accordance with applicable law and Company Charter.

Certification and provision of copies of documents upon the request of persons entitled to participate in the general shareholders' meeting are carried out by the Corporate Secretary of the Company.

8.13. Shareholders (a shareholder) owning jointly not less than 2 (two) per cent of voting shares of the Company shall be entitled to include issues to the agenda of the general annual shareholders' meeting and propose candidates for the Board of Directors and Internal Auditors of the Company (and, in cases provided for by the Federal Law "On Joint Stock Companies, a candidate for the sole executive body of the Company), the number of which shall not exceed the number of a respective body as defined by the Company Charter.

Such proposals shall be received by the Company not later than 30 (thirty) days following the end of a fiscal year.

8.14. In case the suggested agenda of the extraordinary general shareholders' meeting contains the issue of election of Board Members, shareholders (a shareholder) of the Company owning jointly not less than 2 (two) per cent of voting shares of the Company shall be entitled to propose candidates for the Board of Directors (and, in cases provided by the Federal Law "On Joint Stock Companies", a candidate for the sole executive body of the Company), the number of which shall not exceed the number of Board Members set forth by the Company Charter.

Such proposals shall be received by the Company not later than 30 (thirty) days prior to the date of the extraordinary general shareholders' meeting.

8.15. A suggestion on the agenda of the general shareholders' meeting shall contain the wording of each suggested issue. A suggestion on the agenda of the general shareholders' meeting may contain the wording of a resolution on each suggested issues.

8.16. A suggestion on candidates to be elected at the annual and extraordinary general shareholders' meeting shall contain the name of a body a candidate to which is proposed and the following data on each candidate:

– full name;

- year of birth;
- primary employment and office;
- information on membership and offices held in management bodies of other legal entities;
- consent of a candidate; and
- contact details.

8.17. Suggestions on the agenda of the general shareholders' meeting and proposals on candidates shall be made in writing with indication of the name of a shareholder(s) who made them, number and category (type) of shares owned by such shareholder(s) and shall be signed by this shareholder(s).

8.18. The Board of Directors of the Company is obliged to consider received suggestions and pass resolution on adding them into the agenda of the general shareholders' meeting or decline adding them into the agenda not later than 5 (five) days following the deadline, as per the Company Charter, to submit suggestions to the agenda and proposals on candidates to the Board of Directors and Internal Auditors of the Company, as well as the deadline to provide the Company with suggestions on the agenda of the extraordinary general shareholders' meeting on candidates for the Board of Directors.

8.19. An issue suggested by a shareholder(s) is subject to entering into the agenda of the general shareholders' meeting, as well as proposed candidates are subject to entering into the list of candidates to be elected to a Company's body, except for the following cases:

- shareholder(s) failed to meet the schedule of adding agenda items and proposing candidates to the annual or extraordinary general shareholders' meeting as per the Company Charter;
- shareholder(s) is (are) not the owner(s) of the number of voting shares of the Company set forth in items 1 and 2 of article 53 of the Federal Law "On Joint Stock Companies";
- a suggestion fails to meet the requirements set forth in items 3 and 4 of article 53 of the Federal Law "On Joint Stock Companies";
- an issue suggested for adding to the agenda of the general shareholders' meeting doesn't fall into the competence of the meeting as per law and Company Charter and (or) fails to meet the requirements of the Federal Law "On Joint Stock Companies" and other legal acts of the Russian Federation.

8.20. A reasoned decision of the Board of Directors to reject adding of the suggested item to the agenda of the general shareholders' meeting or a candidate to the list of candidates for election to a Company's body shall be sent to a shareholder(s) who suggested this issue or proposed a candidate not later than 3 (three) days following such decision.

8.21. The Board of Directors may not change the wording of issues suggested to the agenda of the general shareholders' meeting and the wording of resolutions on such issues.

8.22. Apart from the issues suggested by shareholders to the agenda of the general shareholders' meeting and in case of absence of such suggestions, absence or insufficient number of candidates proposed by shareholders for a body, the Board of Directors of the Company shall be entitled to include issues to the agenda of the general shareholders' meeting or candidates to the lists of candidates at its discretion.

8.23. The extraordinary general shareholders' meeting is held upon the decision of the Board of Directors on its own initiative, request from the Internal Auditor of the Company, Company's auditor and shareholder(s) owning not less than 10 (ten) per cent of voting shares of the Company as of the date of such request.

8.24. Within 5 (five) days following the date of the request with respect to convocation of the general shareholders' meeting from the Internal Auditor of the Company, Company's auditor or shareholder(s) owning not less than 10 (ten) per cent of voting shares of the Company, the Board of Directors is obliged to pass resolution on convocation of the extraordinary general shareholders' meeting or reject convocation.

The resolution of the Board of Directors on convocation of the extraordinary general shareholders' meeting or reasoned decision to reject its convocation shall be sent to persons demanding convocation not later than 3 (three) days following the date of such resolution.

The resolution to reject convocation of the extraordinary general shareholders' meeting upon the request from the Internal Auditor of the Company, Company's auditor or shareholder(s) owning not less than 10 (ten) per cent of voting shares of the Company may be passed only pursuant to the grounds provided for by the Federal Law "On Joint Stock Companies".

The resolution of the Board of Directors to reject convocation of the extraordinary general shareholders' meeting may be appealed to a court.

8.25. The extraordinary general shareholders' meeting convened upon the request of the Internal Auditor of the Company, Company's auditor or shareholder(s) owning not less than 10 (ten) per cent of the voting shares of the Company shall be held within 40 (forty) days following the date of the request to hold extraordinary general shareholders' meeting.

In case the proposed agenda of the extraordinary general shareholders' meeting contains the issue of election of the members for the Company's Board of Directors, such general shareholders' meeting shall be held within 70 (seventy) days following the date of the request to hold extraordinary general shareholders' meeting.

The indicated rule shall cover cases when the proposed agenda of the extraordinary general shareholders' meeting contains only issues on early termination of powers of all Board Members and election of new Board Members, as well as cases when the proposed agenda contains other issues apart from the above.

In this respect, the date of the request to convene the extraordinary general shareholders' meeting shall be the date of the receipt of this request by the Company.

8.26. In cases when in accordance with articles 68-70 of the Federal Law "On Joint Stock Companies" the Board of Directors of the Company is obliged to pass resolution on holding of the extraordinary general shareholders' meeting, such general shareholders' meeting shall be held within 40 (forty) days from the date of the resolution on its holding made by the Board of Directors.

8.27. In cases when in accordance with the Federal Law "On Joint Stock Companies" the Board of Directors of the Company is obliged to pass resolution on holding of the extraordinary general shareholders' meeting to elect Board Members such general shareholders' meeting shall be held within 80 (eighty) days following the date of the resolution on its holding made by the Board of Directors.

8.28. In the event that during the period set forth by the Federal Law "On Joint Stock Companies" the Board of Directors fails to pass resolution on convocation of the extraordinary general shareholders' meeting or the Board of Directors decides to reject convocation of the meeting, the Company's body or persons requesting convocation shall be entitled to move to a court to force the Company to hold the extraordinary general shareholders' meeting.

The decision of a court to force the Company to hold the extraordinary general shareholders' meeting shall include the schedule and procedure of holding the meeting. Enforcement of the court's decision shall be assigned to the claimant, Company's body or other person as per the claimant's request subject to their consent. Such body may be the Board of Directors of the Company. In this respect, the Company's body or person who should hold the extraordinary general shareholders' meeting pursuant to the court's decision shall have all powers provided for by the Federal Law "On Joint Stock Companies" required to convene and hold this meeting. In case pursuant to the court's decision the extraordinary general shareholders' meeting should be held by the claimant, expenses for preparation and holding of this meeting may be reimbursed as per the resolution of the general shareholders' meeting for the Company's account.

8.29. The returning commission shall register persons participating in the general shareholders' meeting being held in form of a meeting, check the powers of persons registering to participate in the general shareholders' meeting and examine powers of attorney of shareholders' representatives for their compliance with applicable RF law.

Functions of the returning commission may be carried out by the Company's registrar.

8.30. The general shareholders' meeting is legally qualified (has a quorum) if the shareholders owning jointly more than a half of the votes represented by voting shares of the Company participated in it.

Shareholders registered for participation in the general shareholders' meeting held by joint presence of shareholders to discuss agenda items and passing resolutions on voting issues without submission (handing over) of voting ballots prior to the general shareholders meeting shall be deemed participated in the meeting.

Shareholders registered for participation in the general shareholders' meeting or shareholders whose ballots were received not later than 2 (two) days prior to the date of general shareholders' meeting held by joint presence of shareholders to discuss agenda items and passing resolutions on voting issues with submission (handing over) of voting ballots prior to the general shareholders meeting shall be deemed participated in the meeting.

Shareholders whose ballots were received before the deadline of ballots' receipt shall be deemed participated in the general shareholders' meeting held in form of an absentee vote.

In case the agenda of the general shareholders' meeting includes issues to be voted on by different combinations of voters, a quorum to pass resolution on these issues shall be determined separately. However, absence of a quorum on issues being voted on by the one combination of voters shall not interfere with passing resolution on issues to be voted on by another combination of voters subject to the presence of a quorum for this issue.

8.31. In case by the beginning of the general shareholders' meeting the quorum is not present for the whole agenda, the general shareholders' meeting may be postponed for a later time, but not more than for 2 (two) hours.

In the event of absence of the quorum for holding of the annual or extraordinary general shareholders' meeting, the general shareholders' meeting should be held again with the same agenda. The repeated general shareholders' meeting is legally qualified (quorum is present), if the shareholders owning jointly not less than 30 (thirty) per cent of voting shares of the Company participated in the meeting.

8.32. Additional requirements to the procedure of holding of the general meeting of the Company's shareholders, its form and manner of making the documents of the general shareholders' meeting shall be set forth by RF legislation and internal documents of the Company.

Article 9. THE BOARD OF DIRECTIONS OF THE COMPANY

9.1. The Board of Directors of the Company conducts overall administration of the Company's activity except for the issues falling into the competence of the general shareholders' meeting as defined by federal laws and the Company Charter.

9.2. The following issues are within the competence of the Company's Board of Directors:

1) convocation of the annual and extraordinary general shareholders' meeting except for the cases provided for by item 8 of article 55 of the Federal Law "On Joint Stock Companies";

2) approval of the agenda of the general shareholders' meeting;

3) determination of the date to complete a list of persons entitled to participate in the general shareholders' meeting and other issues falling into the competence of the Company's Board of Directors in accordance with the provisions of chapter VII of the Federal Law "On Joint Stock Companies" and related to preparation and holding of the general shareholders' meeting;

4) submission of issues as defined by item 8.7 of the Charter for resolution of the general shareholders' meeting;

5) election of the General Director of the Company and early termination of his/her powers (except for the cases set forth by the Federal Law "On Joint Stock Companies");

6) preliminary approval of annual reports of the Company;

7) placement of bonds converted into shares and other issued securities in cases set forth by the Federal Law "On Joint Stock Companies";

8) approval of a resolution on issue of equity securities and issue prospectus as well as amendments of additions hereto;

9) determination of the price (monetary value) of property, price of placement and repurchase of issued equity securities in cases provided for by the Federal Law "On Joint Stock

Companies”;

10) purchase of shares, bonds and other securities placed by the Company in cases provided for by the Federal Law “On Joint Stock Companies”;

11) approval of the report on results of acquisition of shares purchased in accordance with item 1 of article 72 of the Federal Law “On Joint Stock Companies”;

12) determination of the amount of remuneration paid to an auditor;

13) recommendations to the general shareholders’ meeting on the amount of dividend on shares and the procedure of payment thereof;

14) recommendations to the general shareholders’ meeting on the procedure of distribution of Company’s profit and loss subsequent to the results of a fiscal year;

15) use of the reserve fund and other Company’s funds;

16) approval of the following internal document of the Company: regulation on the General Director of the Company, regulation on dividend policy;

17) establishment and liquidation of branches, opening and closing of representative offices of the Company;

18) introducing amendments to the Company Charter related to the establishment of branches, opening of representative offices and their liquidation;

19) passing resolutions on approval of transaction in cases provided for by article 83 of the Federal Law “On Joint Stock Companies”;

20) passing resolutions on approval of transactions in cases provided for by article 79 of the Federal Law “On Joint Stock Companies”;

21) approval of the Company’s registrar, terms and conditions of its contract, as well as termination of such contract;

22) passing resolution on audit of financial and economic activity of the Company at any time;

23) preliminary approval of actions related to direct or indirect disposal or possible disposal of shares and participatory interests in other business entities and partnerships owned by the Company;

24) determining priority goals of the Company’s activities, including approval of development plans and/or business-plans, approval of any change to the capital expenditures for more than 10% from the amount of capital expenditures as defined by the development plan and/or business-plan;

25) preliminary approval of actions related to acquisition, disposal and/or possible disposal by the Company, as well as by business entities and partnerships which shares/participatory interests are owned by the Company, of licenses for subsoil use (geological study, exploration and production of hydrocarbons);

26) preliminary approval of transactions for the amount exceeding an equivalent of USD 5,000,000 (five million) in case such transactions are not provided by the development plan and/or business-plans or transactions for the amount exceeding the that provided by the development plan and/or business-plans for the respective fiscal year (except for the transactions with persons affiliated to the Company and transactions concluded in the normal course of business);

27) preliminary approval of loans (credits) and guarantees (sureties, provision of other collateral) for the amount exceeding USD 240,000,000 (two hundred forty million) (or an equivalent in other foreign currencies at the current exchange rate), provided that: (i) repayment in each of the fiscal years of 2008 and 2009 exceeds USD 50,000,000 (fifty million) (or an equivalent of the indicated amount in other foreign currencies at the current exchange rate), (ii) repayment in each of the fiscal years starting from 2010 exceeds USD 100,000,000 (one hundred million) (of an equivalent of the indicated amount in other foreign currencies at the current exchange rate); and (iii) average interest rate related to such loan exceeds 15 (fifteen) per cent per annum;

28) preliminary approval of transactions related to acquisition, disposal and/or possible disposal of intellectual property (inventions, useful models, industrial samples, know-how) regardless the amounts of transactions (except for the transactions concluded with persons

affiliated to the Company); and

29) other issues provided for by the Federal Law “On Joint Stock Companies” and Company Charter.

9.3. Issues not falling into the competence of the Board of Directors of the Company shall not be transferred for resolution of the General Director of the Company.

9.4. Members of the Board of Directors of the Company shall be elected by the general shareholders’ meeting for the period until the next annual general shareholders’ meeting.

In case the annual general shareholders’ meeting wasn’t held in dates provided for by item 1 of article 47 of the Federal Law “On Joint Stock Companies”, the powers of the Board of Directors shall terminate except for the power to prepare, convene and hold the annual general shareholders’ meeting.

In case the term of powers of the Board of Directors expired and the annual general shareholders’ meeting failed to elect the number of the Board Members required to constitute the quorum for holding of the Board Meeting as defined by 9.17 of the present Charter, powers of the previous Board of Directors shall terminate except for the power to prepare, convene and hold the general shareholders’ meeting.

9.5. Physical person only may become a Board Member.

9.6. The Board of Directors shall be elected by the general shareholders’ meeting by means of cumulative vote in membership of 5 (Five) members. At this respect, number of votes held by each shareholder shall be multiplied by the number of persons to be elected to the Board of Directors of the Company and a shareholder shall be entitled to give all votes obtained in such way to one candidate or distribute them between two or more candidates.

Those candidates who win the majority of votes shall be deemed elected to the Board of Directors.

9.7. The resolution of the general shareholders’ meeting on early termination of powers of the Board of Directors shall be passed with respect to all Board Members only.

In case powers of all Board Members are terminated before their term ends and the general shareholders’ meeting failed to elect the number of the Board Members required to constitute the quorum for holding of the Board Meeting as defined by 9.17 of the present Charter, powers of the previous Board of Directors shall terminate except for the power to prepare, convene and hold the general shareholders’ meeting.

9.10. In the event that the number of Board Members becomes less than 3 (three), the Board of Directors of the Company shall pass resolution on holding of the extraordinary general shareholders’ meeting to elect the new Board of Directors of the Company. Remained Board Members shall be entitled to pass resolution only on convocation of the extraordinary general shareholders’ meeting.

9.11. The Chairman of the Board of Directors of the Company shall be elected by Members of the Board of Directors from among their number by the majority of votes of all Members of the Board of Directors of the Company; at this respect, votes of resigned Board Members shall not be taken into account.

9.12. The Board of Directors of the Company shall be entitled to re-elect its Chairman at any time by the majority of votes of all members of the Board; in this respect, votes of resigned Board Members shall not be taken into account.

9.13. The Chairman of the Board of Directors shall arrange work of the Board of Directors, convene Board Meetings and preside at these meetings; arrange recording of the minutes of the meetings.

The Chairman of the Board of Directors carries out strategic planning of Company’s development; represents the Company without a letter of attorney and appears in all state and municipal authorities, for-profit and non-profit organizations; approves the most important organizational, management, operational and staff issues of the Company during the periods between Board Meetings; nominates a candidate for the Company’s sole executive body for approval of the Board of Directors; and on behalf of the Company concludes a contract with a person acting as the sole executive body or delegate the authority to conclude such contract to a Board Member.

9.14. In the event of absence of the Chairman of the Board of Directors of the Company, one of the Board Members authorized by the Chairman shall convene and preside at the Board Meeting.

9.15. Board Meetings shall be convened by the Chairman of the Board of Directors on his/her own initiative, upon the request of a Board Member, Internal Auditor of the Company, Company's auditor or a person acting as the Company's sole executive body.

The Board Meeting shall be held at the location of the Company unless otherwise decided at its convocation.

Board Meetings shall be conducted not less than 4 (four) times per annum with time intervals not exceeding 6 (six) months.

The Chairman of the Board of Directors shall inform Board Members on the Board Meeting against signature or by sending a fax (or e-mail) not later than 14 (fourteen) days prior to the date of the Meeting. The notification on the Board Meeting shall include the following details: place, date, time and agenda of the Meeting.

9.16. At determining about presence of the quorum and summarizing voting results on agenda written opinion of an absent Board Member shall be taken into account provided that the Company received such written opinion prior to the beginning of the Board Meeting. The written opinion shall be filed to the minutes of the Board Meeting.

9.17. A resolution of the Board of Directors may be passed by absentee vote. Convocation and holding of Board Meetings as well as the procedure of passing resolutions by absentee vote may also be defined by RF law, Regulation on the Board of Directors and other internal documents of the Company.

Should the Board Meeting be held in form of absentee vote, ballots from Board Members shall be received by the Company via DHL, UPS or other first-class international service.

9.18. The quorum to conduct the Board Meeting is physical presence and (or) presence of a written opinion from more than a half of Board Members as defined by the Charter.

9.19. Resolutions of the Board of Directors shall be passed by the majority of votes except for those issues to make resolutions on which pursuant to law and Company Charter unanimity of votes, three-fourth majority of votes or the majority of votes of the Board Members not interested in a transaction are required (votes of resigned Board Members shall not be taken into account).

Resolutions on issues indicated in sub items 21, 23-28 of item 9.2 of the present Charter shall be passed by the Board of Directors by the unanimity of votes of all elected Board Members.

The resolution on approval of an interested party transaction shall be passed by the majority of votes of the Board Members not interested in such transaction. In case the number of not interested Board Members is less than the quorum for holding the Board Meeting as defined by the Charter, the resolution on this issue shall be passed by the general shareholders' meeting.

The resolution on convocation of the extraordinary general shareholders' meeting shall be passed by the majority of votes of Board Members participating in the meeting, and, if the quorum is present, being a half of the number of elected Board Members.

9.20. The resolution of the Board of Directors passed by absentee vote shall be deemed valid provided that more than a half of the number of Board Members set forth by the Company Charter participated in the absentee vote except for those issues to make resolutions on which, pursuant to the Federal Law "On Joint Stock Companies" and Company Charter, unanimity of votes, three-fourth majority of votes or the majority of votes of the Board Members not interested in a transaction are required (votes of resigned Board Members shall not be taken into account)

The resolution of the Board of Directors passed by absentee vote shall be deemed adopted in case more than a half of the Board Members participated in absentee vote voted "for", unless otherwise provided for by the Federal Law "On Joint Stock Companies" and Company Charter.

9.21. At passing resolutions at the Board Meeting each Board Member shall have one vote.

It shall not be allowed to assign the voting right from a Board Member to another person including another Board Member.

In the event of the tied vote of Board Members at passing resolutions the Chairman of the Board shall have a casting vote.

9.22. Minutes of the Board Meeting shall be recorded by the Corporate Secretary of the Company. Minutes of the Board Meeting shall be made not later than 3 (three) days following the date of the Meeting. Minutes of the Board Meeting shall be signed by the chairman of the meeting. Documents approved by the Board of Directors shall be attached to the minutes.

Article 10. SOLE EXECUTIVE BODY OF THE COMPANY

10.1. The administration of daily operations of the Company shall be conducted by the sole executive body of the Company (General Director). The General Director shall report to the Board of Directors of the Company and general shareholders' meeting.

10.2. The General Director shall act on behalf of the Company without a power of attorney and shall have the following authorities:

- 1) to conduct day-to-day management of Company's operations;
 - 2) to have the primary authority to sign financial documents;
 - 3) to represent Company's interests both in the RF and abroad;
 - 4) to issue power of attorney on behalf of the Company;
 - 5) to ensure maintenance of accounting records and statistical record of the Company; to be personally liable for their maintenance;
 - 6) to issue orders and give instructions binding upon all employees of the Company;
 - 7) to hire, move and dismiss employees of the Company, to stimulate and impose disciplinary sanctions on them;
 - 8) to ensure good and safe labor conditions for Company's employees and compliance with the requirements of environmental regulations; to be liable for safety and health conditions;
 - 9) to approve internal documents of the Company including staff list, staff arrangement, organizational structure, internal code of labor conduct, regulation on labor compensation and regulation on bonuses;
 - 10) within his/her competence, to ensure compliance with law in Company's operations;
 - 11) within his/her competence, to make decisions on application of money of Company's funds and reserves;
 - 12) to run the preparation and submission of annual accounting statements and annual reports on Company's operations to the Board of Directors;
 - 13) to ensure fulfillment of Company's obligations to the budget, other governmental agencies and counterparties under business contracts;
 - 14) to make decisions on commencing a suit or lay a claim to legal entities and physical persons and on satisfaction of claims made in relation to the Company;
 - 15) to strictly supervise reasonable and economical use of material, labor and financial resources;
 - 16) to be liable for arrangement of works and creation of conditions for protection of the state secret in the Company;
 - 17) within his/her competence, to conduct civil transactions including:
 - interested party transactions concluded in accordance with article 83 of the Federal Law "On Joint Stock Companies";
 - major transaction concluded in accordance with sub items 2-3 of article 79 of the Federal Law "On Joint Stock Companies";
 - transaction indicated in sub items 23, 25-28 of item 9.2 of the Company Charter and other transactions concluded subject to approval by the Board of Directors of the Company or general shareholders' meeting.
 - 18) to carry out other function required to accomplish Company's goals and ensure Company's normal operations in accordance with applicable law and Company Charter except for the functions assigned to other management bodies of the Company by the Federal Law "On Joint Stock Companies" and the present Charter.
- 10.3. Rights and obligations, term of payment and the amount of remuneration of the

General Director of the Company shall be set forth in the contract concluded by the General Director with the Company.

10.4. The General Director shall be elected for a 3 (three) year term.

Powers of the General Director shall stay in force from the date of his/her election by the Board of Directors to the date of election of a new General Director of the Company.

Article 11. CORPORATE SECRETARY OF THE COMPANY

11.1. Appointment of the Corporate Secretary of the Company falls into the competence of the Board of Directors of the Company. The Corporate Secretary shall be accountable to and report to the Board of Directors of the Company. The Corporate Secretary shall have the knowledge necessary for execution of his/her duties, enjoy confidence of the shareholders and Board Members and have clean reputation. The Corporate Secretary of the Company shall have higher legal education and at least three years of service in the field of corporate law.

11.2. The Corporate Secretary shall perform the following duties (included without limitation to):

11.2.1. To ensure preparation and holding of the general shareholders' meetings in accordance with the requirements of law, Charter and other internal documents of the Company;

11.2.2. To ensure preparation and holding of the Board Meetings in accordance with the requirements of law, Charter and other internal documents of the Company;

11.2.3. To help Board Members at execution of their duties;

11.2.4. To ensure supervision over the disclosure (furnishing) of information about the Company and storage of the Company's documents; to certify and provide copies of Company's documents;

11.2.5. To ensure due consideration of shareholders' requests by the Company and settlement of disputes between shareholders.

11.3. The bodies and officers of the Company must render assistance to the Corporate Secretary of the Company at execution of his/her duties.

11.4. The Corporate Secretary of the Company shall in reasonable time inform the Chairman of the Board of Directors on all facts preventing from observation of procedures which shall be ensured by the Corporate Secretary (actions or inactions of Company's officers, Company's registrar, other facts breaking the procedure of preparation and holding of the general shareholders' meeting, Board Meeting and disclosure (furnishing) of information).

11.5. The Corporate Secretary of the Company shall be entitled to certify copies of the minutes and extracts from the minutes of Board Meetings, general shareholders' meetings, Company Charter, certificates and internal documents.

Article 12. RESPONSIBILITY OF BOARD MEMBERS AND SOLE EXECUTIVE BODY OF THE COMPANY

12.1. At exercising of their rights and execution of their duties Board Members and the General Director shall act to the benefit of the Company, to exercise their rights and execute their duties with respect to the Company reasonably and in good faith.

12.2. Board Members and the General Director shall be liable to the Company for losses incurred by the Company due to their faulty actions (inactions), unless other grounds and responsibility are provided by federal laws.

In this respect, Board Members voted against the decision resulted in Company's losses, or Board Members not participated in the vote, shall be held liable.

12.3. The Company or shareholder(s) owning jointly not less than 1 (one) per cent of ordinary Company's shares shall be entitled to take legal actions against Board Member and General Director to reimburse for losses incurred by the Company in cases provided for by item 2 of article 71 of the Federal Law "On Joint Stock Companies".

Article 13. DIVIDENDS

13.1. The dividend is a part of net profit of the Company distributed among shareholders in proportion to the number of owned shares of the relevant category and type.

13.2. The Company shall be entitled to make a decision (to declare) on payment of dividends on outstanding shares subsequent to the results of the first quarter, six months, nine month and (or) fiscal year, unless otherwise provided for by the Federal Law “On Joint Stock Companies”.

The decision on dividend payment and the amount of dividend on shares of each category (type) shall be taken by the general shareholders’ meeting at approval of profit distribution. The amount of dividends may not exceed that recommended by the Board of Directors of the Company.

13.3. The dividend shall be paid in cash.

13.4. The procedure and schedule of dividend payment are defined by “Regulation on the dividend policy of CJSC “INK-Capital”.

13.5. At taking the decision (declaration) on dividend payment the Company is obliged to follow limitations set forth by federal laws.

Article 14. COMPANY’S FUNDS. ACCOUNTANCY AND REPORTING

14.1. The reserve fund in the amount of 5 (five) per cent of the charter capital shall be established in the Company.

The amount of annual allocations to the reserve fund shall be 5 (five) per cent of the Company’s net profit subsequent to the results of a fiscal year. These allocations shall be made until the reserve fund has reached the amount provided for by the present Charter.

14.2. The authenticity of information contained in annual reports on Company’s operations and annual accounting statements shall be confirmed by the Internal Auditor of the Company.

The Company shall be obliged to engage an auditor having no property relations with the Company, Board Members or shareholders. Annual reports on Company’s operations are subject to preliminary approval by the Board of Directors of the Company not later than 30 (thirty) days prior to the date of the annual general shareholders’ meeting.

Article 15. INTERNAL AUDITOR

15.1. Supervision over the financial and economic activity of the Company shall be exercised by the Internal Auditor. Operating procedure of the Internal Auditor may be set forth by “Regulation on the Internal Auditor” to be approved by the general shareholders’ meeting.

15.2. The Internal Auditor shall be elected by the general shareholders’ meeting for the period until the next annual general shareholders’ meeting.

In case for some reasons the Internal Auditor wasn’t elected at the annual general shareholders’ meeting, the powers of current Internal Auditor shall be extended until the elections of the Internal Auditor.

15.3. Powers of the Internal Auditor may be preliminarily terminated by the decision of the general shareholders’ meeting.

15.4. Physical person only may be the Internal Auditor. The internal Auditor may not simultaneously be a Board Member or hold other offices in the Company’s management bodies.

15.5. The competence of the Internal Auditor includes:

- verification of financial documents of the Company, accounting statements, reports of inventory commission and comparison of these documents with the primary accounting;
- analysis of accuracy and fullness of accounting, tax, administrative and statistical records;
- analysis of the financial condition of the Company, its paying capacity, liquidity of assets, debt to equity ratio and net assets to charter capital ratio; revealing the reserves of improvement of the economic condition of the Company; making recommendations to the Company’s management bodies;

- verification of timeliness and accuracy of payments to suppliers of goods and services, payments to budget and non-budget funds, accruing and payment of dividends, interests on bonds and repayment of other liabilities;
- confirmation of the authenticity of data contained in annual reports of the Company, annual accounting reports, profit and loss statements (income and expenditure statements), distribution of profit, reports to tax and statistical authorities and state agencies;
- verification of authority of the General Director for conclusion of contracts on behalf of the Company;
- verification of authority of resolutions passed by the Board of Directors, General Director and liquidating commission and their compliance with the Company Charter and resolutions of the general shareholders' meeting; and
- analysis of resolutions of the general shareholders' meeting in terms of their compliance with law and Company Charter.

15.6. The Internal Auditor shall be entitled:

- to demand personal explanation from Board Members, Company's employees, including any officers, on issues within the competence of the Internal Auditor;
- to raise a question before management bodies about the responsibility of Company's employees including officers, in case they violate the Charter, regulations, rules and guidelines applied by the Company; and
- engage specialists on a contractual basis not holding offices in the Company.

15.7. The audit of financial and economic activity of the Company shall be conducted subsequent to the results of Company's operations for a year as well as at any time on the Internal Auditor's initiative, as per the resolution of the general shareholders' meeting and Board Meeting or as requested by a shareholder(s) owning not less than 10 (ten) per cent of Company's voting shares in the aggregate.

15.8. Upon the request of the Internal Auditor of the Company the persons holding offices in management bodies of the Company shall be obliged to provide documents on financial and economic activity of the Company.

The indicated documents shall be submitted within 3 (three) days following the date of the receipt of a written request.

15.9. The Internal Auditor shall be entitled to demand convocation of the general shareholders' meeting in accordance with the procedure set forth by article 55 of the Federal Law "On Joint Stock Companies".

15.10. The Internal Auditor shall be entitled to demand convocation of the Board Meeting. Chairman of the Board of Directors may not deny holding of the Board Meeting to the Internal Auditor at his/her request.

Article 16. SUBMISSION OF INFORMATION TO SHAREHOLDERS BY THE COMPANY

16.1. The Company must ensure access to the documents set forth in item 1 of article 89 of the Federal Law "On Joint Stock Companies" to shareholders. The shareholder(s) owning in the aggregate not less than 25 (twenty five) per cent of Company's voting shares shall have an access to accounting documents.

16.2. Documents provided for by item 1 of article 89 of the Federal Law "On Joint Stock Companies" should be furnished by the Company at the location of the Company's executive body within 7 (seven) days following the date of the request.

The Company must, at the request of persons entitled to have an access to the documents provided for by item 1 of article 89 of the Federal Law "On Joint Stock Companies", furnish copies of the indicated documents to these persons. Payment collected by the Company for these copies may not exceed the cost of their manufacturing.

The Company must ensure access to the available judicial acts on a dispute related to

creation of the Company, its administration or participation in it, including judgment on commencement of proceedings and note of a claim or change in cause of action or subject of the previous claim. The indicated document shall be furnished by the Company in premises of the Company's executive body within 3 (three) days from the date of the shareholder's request. The Company must provide a shareholder with copies of the indicated documents at shareholder's request. Payment collected by the Company for these copies may not exceed cost of their manufacturing.