

APPROVED
‘Atlant-Soyuz’ Incorporated
General Shareholders Meeting
Report on proceedings dated September 1, 2008

Chairman
_____ **I.V.Ignatov**

CHARTER

‘ATLANT-SOYUZ’ INCORPORATED

(NEW EDITION)

Moscow 2008

GENERAL PROVISIONS

JSC “ATLANT-SOYUZ” AIRLINE” (named hereafter **the Company**) was founded June, 8, 1993, incorporated by Moscow Registration Chamber, State Registration Certificate No. 515.110.

The present Charter edition was approved by the General Shareholders Meeting, confirmation d/d September, 1, 2008.

ARTICLE 1. COMPANY’S NAME AND LOCATION

1.1 The full branded name of the Company in Russian runs as Air Company «ATLANT-SOYUZ» Incorporated.

Abbreviated branded name of the company in Russian: “Atlant-Soyuz” Airline”

Full branded name of the Company in English runs as Air Company «ATLANT-SOYUZ» Incorporated.

1.2 Location of the Society: 13 bld., Krylatskie Holmi, Moscow 121609, Russian Federation.

1.3 Representatives (branches) of the Company:

1.3.1 Company’s Representative in People's Republic of China: Beijing

1.3.2 Company’s Representative in the USA: New York

1.3.3 Company’s Branch – “Atlant-Region”: 2 bld., Tsentralnaya str., Moscow 119027 (Vnukovo International Airport)

ARTICLE 2. COMPANY’S LEGAL STATUS

2.1 Company’s Scope of Operations, rights and responsibilities of the stockholders are regulated by the Charter, The Civil Code of the Russian Federation, the Federal Law “About JSC” and other legislative acts of the Russian Federation.

According to its legal organizational form, Air Company is open joint-stock company.

2.2 Company is a legal body. The Company is considered to be founded since the moment of its state registration. In its property, the company has separate property, taken into account with an independent balance sheet; the company in its own name can acquire and fulfill pecuniary and personal non-property rights, be responsible for something; it has legal capacity to sue and be sued.

2.3. Company is a commercial organization, chartered capital of which is divided into certain number of shares, determined by the Charter. These shares certify liability rights of the Company stockholders in relation to the Company.

2.4 Company has the right to open bank accounts in the Russian Federation and abroad.

2.5 Company has round seal, containing its full branded name and location in Russian; besides, it has other seals, containing inscriptions, determined in the established order, moulds and set forms with its name, its own emblem, and it can have signs, registered in the established order and other means of visual identification.

Company has the right to have moulds and set forms with its name, its own emblem; it can have trademark, registered in the established order and other means of visual identification.

2.6 Company is responsible for the property.

2.7 Stockholders of Company are not responsible for Company obligation and have risk to make a loss only in connection with their activity, within the cost of the shares belonging to them, except the cases, provided by the law of the Russian Federation currently in force.

2.8 Company is not responsible for Company stockholders obligations.

2.9 The government and its members are not responsible for Company's responsibilities, as well as Company is not responsible for the government and its members' obligations.

2.10 Company is not responsible for the documents safety (management, finance-economic, stuff concerning and other documents), provides scientific-historic important documents transfer for government deposit. It keeps and uses stuff concerning documents and stuff personal data in the established order.

2.11 Company can be the founder of other economic associations and companies , except the cases, provided by the law of the Russian Federation currently in force.

2.12. Company has the right to make branches and open representatives in the Russian Federation following the requirements of the current legislation of the Russian Federation. Company branches and representatives creation abroad is made in accordance with the legislation of the foreign country in which they are located, if other is not provided by the international agreement of the Russian Federation. Company branches creation, representatives opening and branches and representatives deletion is made by Company Board of Directors on the basis of Company Director General presentation. Branches and representatives act in accordance with the regulations about mentioned subdivisions established by Board of Directors. A branch and a representative are not a legal body, they act in accordance with the regulations about mentioned subdivisions established by Director General. The branch and the representative are given by Company the property, considered to be both on their particular balances and Company balances.

2.13 The branch and the representative acts on behalf of Company. Company is responsible for the branch and representative actions.

2.14 The chief of the branch and the representative is appointed by Company Director General taking into account prior agreement with Board of Directors. He acts by proxy, given by Company. Director General or a person, fulfilling his duties, gives letters of attorney to the branch and representative Manager on behalf of Company.

2.15 Company's Charter must contain data about its branches and representatives. Announcements about its branches and representatives' changes are produced to the legal entities state registration body in notification procedure. Mentioned changes in Company Charter come into force for the third person since the moment of the notification about such changes of the body, fulfilling state registration of legal entities.

2.16 Company has the right to have affiliated and dependent companies, made in accordance with the Russian Federation legislation, with the rights of legal entities in the Russian Federation; and abroad in accordance with the legislation of the foreign government, in which the affiliated or dependent company is located, if other is not provided by the international agreement of the Russian Federation.

2.17 Company is not responsible for the debts of the affiliated and dependent companies. They (in their turn) are responsible meeting their engagements of Company, except the cases, provided by the legislation of the Russian Federation or the agreement.

2.18 Decisions concerning the establishment of the affiliated and dependent companies are accepted by Company Board of Directors upon recommendation of Company Director General.

2.19 Company has the right to make other organizations (including noncommercial ones) by the decision of Board of Directors, admitted upon recommendations of Company Director General, and participate in their activity.

2.20 Company must keep the information, making the State secret, in accordance with the legislation, concerning protection of the State secret, currently in force.

2.21 Company has the right to define structure, volume and order of the data of the State secret protection, demand its privacy from Company employees.

2.22 To fulfill the aims of Company and its economic activity, Company pass inner documents, which are obligatory to be fulfilled by all Company workers and departments.

ARTICLE 3. AIMS AND SORTS OF COMPANY ACTIVITY

3.1 The main Company aim is to make profit.

3.2 Company has civil rights and is responsible for the fulfillment of any activity, which is not prohibited by the federal law.

3.3 Sorts of Company activities are:

- rendering of aviation services, concerning different types of cargo, passengers and mail transportation at home and foreign markets. Besides, rendering of services, concerning aviation equipment usage in different spheres of national economics of foreign countries;

- organization and fulfillment of the works, concerning the aviation equipment repairing, air service and aviation-logistic support of aviation operations.

- organization and fulfillment of aviation engineering flight support of the operated aviation equipment at home and foreign airlines;

- providing with advisory service to the carriers and other legal and individual people;

- airport service provision;

- fulfilling of all kinds of construction-assembly and other works while building, redesigning and exploitation of different objects in Russia and other countries;

- providing legal bodies and citizens of the Russian Federation and other countries with all kinds of diplomatic, official and domestic services, including: tourism, including travel offices, tour operators' services; services of stuff preparation and exchange of specialists with foreign countries; marketing, all kinds of intermediary services in foreign economic operations, besides brokerage services at Commodity Exchange; advisory services in legal and economic questions, including monetary and financial and operative-commercial questions; services in the area of information and advertising, including organization and holding of exhibitions, airshows, seminars, symposiums, conferences; publishing activity; services in the area of communication, as of international, with the telephone, telex and fax machine usage; service and repair of all kinds of industrial production; forwarding trade, consignment and leasing services;

- actualization of entrepreneurial activity in Russia and other countries and provision of all kinds of service, connected with hotels custody and management, domestic services provision to Russian and foreign legal bodies and individual persons;

- actualization of all kinds of operations, concerning real estate activities, and funds, money, billing and turnaround documents;
- provision with State secret protection while actualizing cargo and passengers transportation at home and international airlines by the planes of JSC “Atlant-Soyuz” Airlines”
- Company has the right to actualize other kinds of activities, which are not prohibited by the Russian legislation.

ARTICLE 4. CHARTER CAPITAL.COMPANY FUNDS. STOCKHOLDERS’ RIGHTS AND OBLIGATIONS

4.1 Charter capital is 2 500 000 (two millions five hundred thousands) rubles.

4.2 Company has issued and placed following items among the stockholders:
Ordinary nominal uncertified shares to the number of 100 (one hundred) items, nominal cost of which is 25000 (twenty five thousands) rubles for each share

4.3 The number of announced shares is 1000000 (one million) of ordinary nominal shares, nominal cost of which is 25 000 (twenty five thousands) rubles.
Company has the right to distribute one or several types of .Nominal cost of distributed shares mustn’t exceed 25 percents of Company Charter capital.

4.4 The Charter capital of Company can be increased by:

- Company nominal shares cost increase
- distributing of additional shares.

4.5 Company’s Charter capital increase by additional shares distribution within the period of Moscow government basket of shares holding can be actualized only if during such increase the existing size of Moscow part in Company Charter capital is not decreased.

4.6 Payment of additional shares, distributed by means of personal recognizance, can be realized with money, funds, other items or property or other rights, having money value. Additional shares’ mode of payment is determined by the decision of their distribution.

4.7 Company Charter capital can be decreased by:

- Company nominal shares cost decrease;
- Company part of shares acquiring for the purpose of their general number reducing, and by means of retirement of acquired or redeemed Company shares.

4.8 Company doesn’t have the right to decrease its Charter capital if in case of this reduction its size will be less than thousand fold sum of minimum monthly wage, set by the federal law as on the date of the documents presentation for state appropriate changes in this charter registration. But in case of Company, in accordance with the federal law “About Joint-Stock companies”, is obliged to decrease its Charter capital they consider the date of Company state registration.

4.9 Maintenance of Company stockholders register is fulfilled by specialized organization, which is a professional participant of the funds market and fulfilling the activity, concerning register maintenance register, i.e. Registrar.
Company is not reprieved from stockholders maintenance register.

4.10 Every ordinary Company share provides its owner (the stockholder) with equal volume of rights.

4.11 Every stockholder (ordinary shares owner) has the right to:

- dispose of their shares ad libitum in accordance with the current legislation of the Russian Federation;
- participate in General Stockholders meeting with voting rights, concerning all the agenda questions of the general stockholders meeting;
- get part of Company cash dividend, which is to be distributed among the stockholders in the sequence, provided by the current Charter
- get part of Company property value (disposal value), left after Company killing after pay off with creditors. This part need to be proportional to the number of the appropriate type of shares at their disposal, in the sequence and order provided by the legislation of the Russian Federation and current Charter.
- get necessary information from Company authorities in all the questions, included in the agenda of the general stockholders meeting;
- get information about Company activity in accordance with point 1 article 91 of the federal law “About JSC”;
- pass all or part of the rights, provided by the appropriate type of share to the representative (representatives) on the basis of the agreement;
- primary acquire the shares and other Company emissive papers, converted into shares, distributed by means of signed statement in cases provided by the federal law “About Shareholders' Enterprise”.
- introduce amendments into the general stockholders meeting agenda, in the sequence and conditions, provided by the current Charter;
- demand Company redeeming of all or part of the shares at their disposal, in the sequence and cases, provided by the federal law “About Shareholders' Enterprise”;
- accomplish other rights, provided by the legislation and other legal acts of the Russian Federation, and by Company general stockholders meeting decisions, accepted in accordance with its competence.

4.12 Every Company stockholder is obliged to:

- timely inform the Registrar about its data changes;
- do not divulge confidential data about Company activity;
- carry out other responsibilities, provided by the legislation of the Russian Federation or the current Charter.

ARTICLE 5. COMPANY AGENCY OF ADMINISTRATION AND CONTROL AUTHORITIES

5.1 Company agency of administration consists of:

- general stockholders meeting;
- Board of Directors;
- sole executive body (Director General) or managing organization.

Company agency of administration in the state of liquidation is its liquidation commission, appointed by the general stockholders meeting, which decided to wind up, or by the judgment.

5.2 Company financing and operating activities control is accomplished by Company Registrar and independent accountant

ARTICLE 6. GENERAL STOCKHOLDERS MEETING

6.1 General stockholders meeting is Company superior body.

6.2 To the competence of the general stockholders meeting belong:

- 1) changes and additions introduction into the Charter or new Charter edition approval;
- 2) Company wind up, liquidation commission appointing and interlocutory and final liquidating balance setting;
- 3) definition of number, nominal cost and type of the announced shares and rights, providing to the shares;
- 4) definition of Company Board of Directors total number of members, election of its members and prescheduled termination of their powers;
- 5) Charter capital increase by means of nominal shares value increase;
- 6) Charter capital increase by means of additional shares distribution by dint of public offering. The shares are to make up 25 and less % of shares earlier distributed by Company;
- 7) Charter capital increase by means of additional shares by dint of private placement;
- 8) Charter capital increase by means of additional shares distribution by dint of public offering. The shares are to make up more than 25 % of shares earlier distributed by Company;
- 9) Charter capital decrease by means of shares nominal value decrease, Company acquiring of part of the shares according to the tenor of their total amount reducing, and by means of retirement of acquired or ransom Company shares;
- 10) election of Audit Commission members and prescheduled termination of their powers;
- 11) independent accountant approval;
- 12) cash dividend pay off based on the results of the first quarter, half year, nine months of the business year;
- 13) Company annual report, annual financial statements, as of income and loss statement probation, besides profit distribution (as of dividend pay off (announcement) except the profit, distributed in the capacity of dividend subsequent to the results of the first quarter, half year, nine months of the business year) and Company losses subsequent to the results of the business year;
- 14) order of general stockholders meeting holding establishing;
- 15) split-up and consolidation of shares
- 16) decision, concerning transaction endorsement making in cases, provided by article 83 of the federal law "About Shareholders' Enterprise";
- 17) decision making about major deal approval in cases, provided by article 79 of the federal law "About Shareholders' Enterprise" and the current Charter;
- 18) Company distributed shares acquiring in cases, provided by the federal law "About Shareholders' Enterprise";
- 19) decision making about participation in holding trust, finance-industrial groups, associations and other united commercial organizations;
- 20) internal documents, regulating Company organs activity affirmation, including:
 - General stockholders' meeting regulations
 - Board of Directors regulations
 - Sole executive body regulations
 - Audit Commission regulations
 - General Stockholders meeting holding procedure;
- 21) Company debentures and other equity securities' distribution;
- 22) Company reorganization in the form of consolidation; approval of a treaty, concerning consolidation, transfer act and the Charter, created as a result of Company consolidation;
- 23) Company reorganization in the form of consolidation, approval of a treaty, concerning consolidation and transfer act;
- 24) Company reorganization in the form of division, approval of sequence and conditions, concerning new companies and the order of Company shares conversion into the shares of the companies created, and separation balance sheet affirmation;
- 25) Company reorganization in the form of spinning off; approval of the sequence and conditions of spinning off, concerning new Company (companies) creation;

Company shares conversion into the shares of created Company (created Company's shares distribution among Company stockholders, creates Company's shares acquiring by Company itself); order of such conversion (distribution and acquiring), separation balance sheet setting;

- 26) Company reorganization in the form of transformation, approval of the transformation sequence and conditions, sequence of Company shares exchanging into participatory inputs of LLC or equity interests of the production cooperative members;
- 27) decision making, concerning Managing Company Director General power delegation;
- 28) decision making, concerning Managing Company powers early termination;
- 29) decision making, concerning Company finance-economic activity checking;
- 30) decision making, concerning payment of remuneration and (or) compensation of the expenses, connected with discharge of Company Board of Directors members' duties;
- 31) decision making, concerning payment of remuneration and (or) compensation of the expenses, connected with discharge of Audit Commission members' duties;
- 32) decision making, concerning expenses for general stockholders preparation and holding compensation to the person, by whom a special general stockholders' meeting has been convoked at the expense of Company in cases if during the limits set by the federal law "About Shareholders' Enterprise" Board of Directors doesn't decide to convoke extraordinary general meeting or if it decides to refuse its convoking;
- 33) solving of other questions, provided by the federal law "About Shareholders' Enterprise".

6.3. General stockholders' meeting has no right to debate and make decisions about the questions that are not of its competence, under the federal law "About Shareholders' Enterprise".

Questions of their competence can't be left for Company Director General decision.

Questions of their competence can't be left for Company Board of Directors decision, only for the cases and sequence, provided by the federal law "About Shareholders' Enterprise" and the Charter.

6.4 General Stockholders' meeting decision, concerning the question, being voted, is accepted by a stockholders' majority of voice – Company voting shares' owners, taking part in the meeting, if for the decision the federal law hasn't provided other regulations.

6.5 Decision making, concerning the questions set in paragraphs 5-8, 15-20, 22-27 point 6.2 of the Charter, is accepted by the General stockholders' meeting only at the suggestion of Board of Directors.

6.6 Decision making, concerning the questions set in paragraphs 1-3, 7, 8, 18, 2-26 point 6.2 of the Charter, is taken by the General stockholders' meeting by a majority of 3 quarters of voices of the stockholders, who are the owners of the voting shares, taking part in the general stockholders' meeting.

6.7 Company is obliged to annually hold annual general stockholders' meeting.

Annual stockholders' meeting is held not earlier than March, 1 and not later than June, 30 of the year following the accounting year. General stockholders' meetings held besides the annual meeting are called extraordinary ones.

6.8 Questions of Company Board of Directors, Audit Commission election, independent accountant appointing, the questions provided in paragraphs 13 point 6.2 of the Charter and other questions that are of the general stockholders' meeting competence are solved at Annual general stockholders' meetings.

6.9 General stockholders' meeting can be held in the form of presence taking into account the votes, got from Company stockholders' bulletins or in the form of absent voting.

General stockholders' meeting, the agenda of which includes the questions, provided in point 6.8 of the Charter, can't be held in the form of absent voting.

6.10 Stockholders (stockholder), who are (is) in case of accumulation the owners of not less than 2 % of the voting Company shares has the right to include the questions in the agenda of the Annual general stockholders' meeting and recommend a candidate for a post of Company inspector, and candidates to Board of Directors and Audit Commission, the number of which mustn't exceed the appropriate body's number of members, set by the Charter. Such offers must be made not later than 60 years after the financial year finished.

In case if the would-be agenda of extraordinary general stockholders' meeting contains the point, concerning the election of Company Board of Directors' members, Company stockholders (stockholder), who is in case of accumulation the owners of not less than 2 % of the voting Company shares has the right to include the questions in the agenda of Company Committee of concerning candidates to Board of Directors election, the number of which mustn't exceed the appropriate body's number of members, set by the Charter. Such offers must be made not later than 30 years before the date of extraordinary general stockholders' meeting.

6.11 Extraordinary general stockholders' meeting is held under the terms of Board of Directors decision on the basis of its own initiative, Company Audit Commission (inspector), Company independent accountant demand and stockholders (stockholder), who are the owners not less than 10 (ten) % of the voting Company shares as on the date of the demand. Extraordinary general stockholders' meeting calling in after Audit Commission, independent accountant or stockholders' demand, who are the owners of not less than 10 % of the voting Company shares, is made by Board of Directors.

6.12 Extraordinary general stockholders meeting, convoked on call of Company Audit Commission, Company independent accountant or stockholder (stockholders), who are the owners of not less than 10 (ten) % of the voting Company shares, must be held within 40 days since the moment of the demand.

In case if the would-be agenda of extraordinary general stockholders' meeting contains the point, concerning the election of Company Board of Directors' members, such meeting must be held within 70 days since the moment of the demand.

6.13 The list of people, who have the right to take part in general stockholders' meeting, is made on the basis of registration entries of Company stockholders.

The date of the list of people, who have the right to take part in general stockholders' meeting making can't be set earlier the date of the decision, concerning the holding of the meeting making. Moreover it can't be set more than 50 (fifty) or 65 (sixty-five) (in the cases provided by point 2 article 53 of the federal law "About Shareholders' Enterprise") days before the date of general stockholders' meeting holding.

In cases of general stockholders' meeting, in quorum definition and voting of which bulletins, got by Company in accordance with point 2 article 58 of the federal law "About Shareholders' Enterprise", take part, the date of making the list of people, who have right to take part in general stockholders' meeting, is set not less than 35 days before the date of general stockholders' meeting.

6.14 The announcement about general stockholders' meeting must be made not later than 20 days before the meeting, and the announcement about general stockholders' meeting, the agenda of which contains the question of Company reorganization must be made not later than 30 days before the date of its holding.

In case if general stockholders' meeting agenda contains the question about Board of Directors election, the announcement about extraordinary general stockholders' meeting must be made not later than 50 days before the date of its holding.

6.15 In the limits, set by point 6.14 of the Charter, the announcement about general stockholders' meeting must be sent to every person, mentioned in the list of people, who have right to take part in the meeting. It must be made by registered letter or handed in against signature to everybody from the list or published in the newspaper "Tverskaya, 13".

Additional way of informing about general stockholders' meeting holding is to post on a Company corporate website: www.atlant-soyuz.ru.

6.16 The information, that needs to be introduced to the people, who have the right to take part in general stockholders meeting during the preparation to the meeting holding, is as follows:

- annual financial statements, including Company audit certificate;
- Company Audit Commission statements based on the results of annual financial statements' check;
- data, concerning the candidates to Board of Directors, Company Audit Commission and Company independent inspector;
- project of changes and additions, introduced to the Charter or project of the Charter on new edition;
- Projects of inner Company documents;
- projects of general stockholders' meeting decisions;
- Company annual report;
- Audit Commission statements about the reliability of data, contained in the annual Company report;
- Board of Directors recommendations, concerning the profit distribution, including dividend Company shares size and pay off sequence based on the results of the financial year;
- data about the person, who introduced any question to the agenda for general stockholders meeting or a candidate to the Board of Directors, Audit Commission, independent inspector;
- information about written consent of the introduced candidates to the appropriate body presence or absence;
- other information, provided by the legislation or other legal acts of the Russian Federation or Board of Directors decision;

The information, that needs to be introduced to the people, who have the right to take part in general stockholders meeting, during 20 days, in case of the meeting the agenda of which includes Company reorganization holding during 30 days before the general stockholders meeting, must be at the disposal for familiarization in the institution at the address (location) of Company sole executive body (managing company), at Company branches and representatives, at the Registrar or other places, mentioned in the announcement of general stockholders meeting. Mentioned information must at the disposal of people, taking part in the meeting.

6.17 General stockholders meeting is authorized if the stockholders, having together more than half of the votes of Company distributed voting shares.

The stockholders who are thought to have taken part in the meeting are those, being authorized for participating in it and those, bulletins of which are received not less than 2 days before the meeting. The stockholders who are thought to have taken part in the absentee meeting are those whose bulletins are received before the date of bulletins reception finishing.

In case if the agenda includes the questions, voting for which is made by different people, authorization for decision making is made separately. Thereby the authorization absence for making the decisions, voting for which is made by one structure, doesn't prevent the decision making, voting for which is made by another structure, that has the authorization.

6.18 In case of the authorization for general stockholders' meeting holding absence repeated meeting with the same agenda must be held. In case of the authorization for extraordinary

general stockholders' meeting holding absence repeated general stockholders' meeting with the same agenda can be held.

Repeated general stockholders' meeting is authorized if the stockholders, who in case of accumulation have not less than 30 % of the votes for distributed voting shares, took part in it.

6.19 The chairman is in chair of Board of Directors at the general stockholders' meeting, in case of his absence – they have another person, elected by stockholders' majority vote. The voting shareholders must have company voting shares and take part in general stockholders meeting.

6.20 Company tabulation commission functions are fulfilled by Company registrar. Company registrar checks the powers and register the people, who take part in general stockholders meeting, defines the authorization of the meeting, explains the questions, that occur in connection with the shares (their representatives) voice realization, provides the set voting sequence and shareholders right to participate in the meeting, calculates the voices and totalizes the voting results, makes the poll deed, restores the bulletins, and performs other functions stated by the Company's internal statute – 'Provisions on the general shareholders' meeting'.

6.21 All decisions made by the general shareholders' meeting, as well as the voting results are announced at the general shareholders meeting at which the vote took part, or not less than ten (10) days after minutes recording was completed in respect to voting results in a form of written report, thus it is transmitted to all personnel concerned who have the right to take part in the general shareholders' meeting as relevant proceedings specify.

6.22 Other questions connected with preparations, arrangement and carrying out of the meeting are regulated by the Provisions on the general shareholders' meeting and Proceedings on the general shareholders' meeting.

ARTICLE 7. BOARD OF DIRECTORS

7.1. The Company's board of directors carries out general management of the Company's activity except for matter solving which is defined by the Federal law 'About shareholders' enterprise' as the competence of the general shareholders' meeting.

7.2. The following matters lie in the competence of the Company's board of directors:

1) Designation of the Company's strategy and priority directions of its activity including the approval of the annual budget, budgets with medium-term and long-term perspective, development programs, business plans and feasibility studies, amendment to the mentioned documents and their execution control;

2) Designation of the Company's credit policy in respect to its loan commitment, contracting credit and loan agreements, warranty commitment, bearing obligations ensuing from a bill (issuing both promissory and transfer notes), property assignment, etc.;

3) Arrangement of both annual and urgent general shareholders' meetings, except for the cases, implied by Article 55, Paragraph 8 of the Federal law 'About shareholders' enterprise', including the following designation of:

3.1. form of the shareholders' presence at the meeting (collective presence or absentee voting);

3.2. date, place, time of the general stockholders' meeting commencement, as well as the principal address at which voting papers can be mailed to;

3.3. date of list of attendants, who have the right to take part in the general shareholders' meeting;

- 3.4. approval of the meeting agenda;
- 3.5. proceedings of attendants notification about the meeting being held;
- 3.6. list and procedures in respect to both information and materials provision to attendants while preparing the general stockholders' meeting;
- 3.7. form and text of voting papers;
- 3.8. discussion of any proposals from the attendants regarding the matters to be added on the agenda, as well as suggestions on the candidates for certain positions in the Company.
- 3.9. introduction of matters regardless of the common matter list, suggested for discussion on the agenda at the general stockholders' meeting.
- 3.10. introduction of the candidates for appointment to the board of directors, Company's audit committee and the position of the Company's auditor, in case there is absence or limited number of candidates suggested by the shareholders.
- 3.11. arrangement of urgent meetings as required by the Company's audit committee, the Company's auditor, as well as shareholders who are the owners of not less than ten (10) percent of voting stock;
- 3.12. discussion of incoming suggestions for arrangement of an urgent general shareholders' meeting, as well as either approval or denial for its commitment within five (5) days;
- 3.13. notification of all individuals 'to whom it may concern' regarding the decision upon either approval or denial of its commitment not later than three (3) days prior to such decision being made;
- 3.14. unsolicited commitment of the general shareholders' meeting;
- 3.15. introduction of the candidates for appointment to the board of directors, Company's audit committee and the position of the Company's auditor, in case of unsolicited commitment of the general shareholders' meeting;
- 3.16. shareholders bearing the possibility to get acquainted with information in respect to the preparation of the general meeting;
- 3.17. introduction of the following questions to be discussed at the general shareholders' meeting:
 - reorganization of the Company, its form, as well as other questions in respect to reorganization;
 - augmentation of the Company's capital stock;
 - attrition of the capital stock by means of share value remission.
 - attrition of the capital stock up to the volume which is less than net wealth value in case the audit check has revealed that net wealth value proved to be less than the capital stock;
 - splitting and consolidating the stock;
 - approval of principal deals regarding the property which value implies more than fifty (50) percent of the Company's book share value, designated in respect to accounting data on the latest reporting date;
 - approval of principal deals regarding the property which value implies from twenty five (25) to fifty (50) percent of the Company's book share value, designated in respect to accounting data on the latest reporting date; as well as principal deals which are covered by approval proceedings of the present Charter in case there is no unanimity within the board of directors concerning the mentioned deals approval;
 - approval of concerned deals;
 - the Company purchasing of outstanding shares;
 - participation in holding companies, financial and industrial groups, associations and other united commercial organizations;
 - approval of internal documentation (statutes), regulating performance of the Company and its managerial bodies;
 - delegation of Director General's authority;
 - appointment of dissolution committee in case free-will dissolution arises;

- other questions stated by the Federal legislation;
- 3.18. preliminary approval of the Company's annual report;
- 3.19. preparation and approval of the report by the Company's board of directors concerning priority directions of the Company's activity, which shall be introduced to the annual report of the Company.
- 4) approval of securities (or extra securities) emission, including their data sheets, emission (or extra emission) statement report and purchase statement report;
- 5) purchase of the Company's outstanding loan securities and other emissive securities, outstanding value and repurchase in respect to the cases defined by the Federal law 'About shareholders' enterprise';
- 6) property valuation, including flotation and repurchase of securities in respect to the cases defined by the Federal law 'About shareholders' enterprise';
- 7) decision making in relation to the Company's owned share disposal, which the Company controls as a result of purchase or redemption.
- 8) recommendation to the general shareholders' meeting concerning the profit amount as per Company's share capital and its distribution;
- 9) Company using reserve and other funds;
- 10) approval of principal deals regarding the property which value implies from twenty five (25) to fifty (50) percent of the Company's book share value, designated in respect to accounting data on the latest reporting date; as well as principal deals which are covered by approval proceedings of the present Charter, including the following provisions:
- deals (borrowing, credit, loan, guarantee, billing deals, lease, servitude establishment, society in participation, property warranty commitment, etc.), connected with purchase, charge, alienation or the possibility for the Company to alienate property which value implies from twenty five (25) to fifty (50) percent of the Company's book share value, designated in respect to accounting data on the latest reporting date;
 - deals which are connected with purchase, charge, alienation or the possibility for the Company to alienate any kind of property;
 - deals which are connected with gratuitous assignment of the Company's property as well as gratuitous service for the board of directors and its members, sole executive body, managerial body, members of audit committee (auditor) and/or third party;
 - charity and sponsorship deals;
 - deals which are connected with property lease or free-use commitment for a term of more than one year;
- 12) approval of concerned deals in accordance with rules and regulations stated by the legislation of the Russian Federation;
- 13) approval of interaction proceedings with organizations which the Company takes part in;
- 14) participation (as a sharer, termination of sharing, amendment to equity interest) of the Company in other organizations by way of both purchasing and selling its stock, equality interest of other organizations, including contribution of additional value to the capital shares of the mentioned organizations;

15) designation of interaction proceedings with organizations, shares and equity interest, are the Company's property;

16) discussion and approval of the candidates to the managerial bodies and operational control, which are introduced on the agenda for the mentioned authorized organizations, including the projects aimed at matter solving;

17) definition of the Company's position (of its representatives) in respect to the following matters concerning general shareholders' meetings (and its attendants) of both subsidiary and commercial partnership ('SCP'), including the obligation of whether or not taking part in voting on respective agenda items and projects as 'pro', 'contra' or 'abstained':

- determination of SCP agenda items on the general shareholders' meeting (and its attendants);
- SCP reorganization and closing down;
- designation of numerical composition for SCP board of directors, promotion and election of its members and pre-term termination of their authorities;
- determination of quantity, share denomination, category and type of announced share and the rights concerned;
- augmentation of SCP capital stock by means of either increasing share denomination or outstanding additional share;
- distributions of SCP securities converted into common stock;
- splitting and consolidating SCP share;
- approval of principal deals contracted by SCP;
- SCP taking part in other organizations (in respect to joining such acting organization or creating a new one), as well as stock and share interest acquisition, assignation or charge, including amendment of the share interest in the capital stock of such acting organization;
- SCP contracting deals (including several interconnected ones), in relation to property alienation or such possibility, which comprises main nonmaterial assets, building-in-progress, in all cases and amount implied by the Company's interaction with organizations which are approved by the board of directors.
- amendment and addition to regulatory directives of SCP;
- rewarding and compensation of the board of directors and auditing committee of SCP;

18) arrangement of the Company's sole executive body (appointment of Director General), including pre-term determination of the agreement (or contract) with the Company's sole executive body;

19) arrangement of the Company's appointment of its deputies and pre-term termination of their authorities;

20) decision on termination of the managing company authorities and appointment of an interim sole executive body and arrangement of a special meeting within the board of directors in order to solve the question in relation to pre-term termination of the Company's executive body authorities and their transmission to the new managing company;

21) delegation of the Company's board of directors with the right to sign contracts with the sole executive body (managing company);

22) determination of agreement provisions (including the ones in respect to reward and compensation), contracted with the sole executive body, managing company and corporate secretary of the Company;

- 23) agreement on the sole executive person joining executing function in both Company's and other companies' management;
- 24) sole executive body bearing responsibility in accordance with the Law of the Russian Federation;
- 25) approval of the common organizational profile of the Company's executive entity, including delegation of authorities between its attendants and further amendment. The Company's executive entity comprises the sole executive body, its deputies, as well as managers of departments which subordinate solely and directly to the sole executive body or his deputies;
- 26) discussion of report made by the Company's sole executive body or its managing company, including their performance assessment;
- 27) election (or re-election) of the Chairman and his deputy;
- 28) recommendations on the amount of both compensation and reward paid out to attendants and auditors;
- 29) determination of agreement terms (or agreement letters), contracted with the Company's auditor as well as his compensation;
- 30) approval of the following statutes:
 - corporate secretary;
 - document storage;
 - information policy;
 - related corporative response;
 - funding
 - committees of the board of directors;
 - Code of corporate conduct;
 - other internal documents of the Company, except for regulatory statutes, which are subject to approval by either general shareholders' meeting or sole executive body as stated in the present Charter;
- 31) arrangement of divisions and representative offices, their liquidation and closing down, as well as amendment to the present Charter connected with divisions\representative offices launch or closing down;
- 32) preliminary approval of appointing and dismissing executive managers of divisions\representative offices;
- 33) determination of agreement terms (or agreement letters) contracted with executive managers of divisions\representative offices;
- 34) approval of the Company's agreement record clerk and contract terms (or agreement letters) with him, including contract termination;
- 35) appointment, approval and pre-term dismissal of a corporate secretary and his\her obligations;
- 36) approval of the Company's organizational profile including the main functions of its subordinates;
- 37) arrangement of the Company's committees acting on a permanent or interim basis (aimed at matter-solving);
- 38) determination of the Company' board in number, appointment and pre-term dismissal of its attendants;

39) election of the Chairman;
including the approval of the following:
40) risk management proceedings;
41) candidate for the positions of the Company's subdivisions, who performs internal audit;
42) independent auditor approval;
43) proceedings on corporate conflict solving;
44) other matters stated by the Federal law 'About shareholders' enterprise' and the present Charter.

7.3. All matters defined in the competence of the Company's board of directors can be delegated at the discretion of neither the sole executive body or the managing company.

7.4. The Company's board of directors is appointed by the general shareholders' cumulative voting for the term defined by the Federal law 'About shareholders' enterprise'. The number of directors is defined by the decision of the general shareholders' meeting.

7.5. The first meeting of the Company's board of directors is held not less than thirty (30) days from the date of its appointment. Chairman of the board, as well as its operating layout shall be approved at the first meeting of the Company's board.

7.6. Quorum for directors' meeting complies not less than half of the appointed attendants of the board.

7.7. The Company's board of directors may imply independent directors.

Attendants of the Company's board are considered independent in case they are NOT:

- officials or employees of the Company starting from the moment of appointment prior to one year period;
- officials of either managing company or attendant of its board of directors;
- spouses, parents, children, brothers and sisters related to the officials of the Company;
- affiliated personnel of the Company excluding the attendants of the Company's board of directors;
- third party obligation to the Company that permits property (or monetary) acquisition which cost is not less or more than ten (10) percent of their joined annual income excluding rewarding for being a director.
- state representatives, i.e. personnel who serve as representatives of the Russian Federation or its territorial entities, thus possessing the right on the 'gold share', including the persons who were appointed from the candidates suggested by the Russian Federation, as well as its territorial entities or administrative bodies, in case these directors shall take part in voting as implied by governmental or administrative directives and orders.

7.8. The official who is the sole executive body of the Company cannot become the chairman of the Company's board at the same time.

7.9. The following acting or interim committees can be approved by the decision of the Company's board of directors:

- auditing;
- human resource and benefit;
- strategic planning and investment;
- budgeting and development;
- other committees of the board.

One attendant can take part in not more than three committees.

Proceedings on arrangement, functioning and other matters in concern with the committee's activity are regulated by the Provisions on committee of the board of directors.

7.10. Decision is made by means of majority voting including absentee vote, except for the following provisions:

- decision on termination of the managing company authorities and appointment of an interim sole executive body and arrangement of a special meeting within the board of directors in order to solve the question in relation to pre-term termination of the Company's executive body authorities and their transmission to the new managing company – is approved by majority voting excluding dismissed directors of the Company;
- approval of principal deals regarding the property which value implies from twenty five (25) to fifty (50) percent of the Company's book share value, designated in respect to accounting data on the latest reporting date; as well as principal deals which are covered by approval proceedings of the present Charter; in case there is no unanimity within the board of directors concerning the mentioned deals approval, the decision is made by shareholders' majority voting.
- approval of concerned deals is made by majority voting of independent directors who are not interested in the mentioned deal. In case all directors are dependant and are concerned about the deal, its approval is made by the general shareholders' meeting;
- approval of the candidates to the managing bodies and operational control, which are introduced on the agenda for the mentioned authorized organizations, as well as audit committee and sole executive body approval is made by three forth voting of the board of directors whereas the opinion of dismissed directors are not encountered.
- in case there is an official interested in one or several deals which estimated cost is determined by the Company's board of directors, whereas the mentioned official is an attendant of the board, decision on cost evaluation is made by majority voting of the board who are not interested in the deal. In case the number of voters is less than half of the board, cost evaluation shall be defined by the decision of the general shareholders' meeting.

7.11. Any attendant of the Company's board of directors is considered dismissed in case of:

- death;
- special or mental disability;
- unjustified absence;
- announced death;
- the board's attendant who is the official representative of the Moscow City concern, acting as civil servant of the Moscow City, shall be dismissed from the mentioned position (in case there is no concern agreement between the Moscow City and the managing body of the Company);
- military drafting service;
- physical disability according to the official medical evaluation;

The attendant being dismissed within ten (10) days of investigating the terms mentioned above, the chairman of the Company's board of directors shall preside a special meeting in order to approve pre-term excuse from his authorities.

7.12. The Company's board of directors is carried out at the principal address of the Company not earlier than ten (10.00) a.m. and not later than seven (7.00) p.m. local time.

7.13. The Company's board of directors is carried out either at the principal address of the Company or by means of absentee voting.

Decision approved by the board of directors is made in accordance with the Company's Charter by means of majority voting (including absentee vote).

The meeting held by the Company's board of directors is recognized (quorum) in case not less than half of directors take part in it.

7.14. Proceedings on arrangement and carrying out of the meeting are implied by the internal regulatory document of the Company – 'Provisions to the board of directors'.

7.15. The chairman of the Company's board of directors is approved by the attendants of the board of directors by means of majority voting.

7.16. The chairman of the Company's board of directors arranges its performance, convenes the board's meetings and presides over them, arranges the meeting's minutes recording, provides effective work of the board, presides over the general shareholders' meeting, if otherwise approved by the shareholders' meeting of the Company.

7.17. The shareholders, attendants of the board of directors and Director General shall provide the Company with the information which is to be revealed in accordance with the legislation and the present Charter.

7.18. In accordance with the decision approved at the general shareholders' meeting, when performing their duties and obligations, the attendants of board of directors receive both reward and compensation for expenses connected with their functional management. All regulations concerning the terms of reward payment are defined in the internal document of the Company – 'Provisions to the board of directors'.

ARTICLE 8. COMPANY'S DIRECTOR GENERAL

8.1 The management of the current activity of the Company is performed by the chief executive officer – the Company's Director General.

8.2 The Company's Director General is elected by the Board of Directors of the Company. The Company represented by the Chairman of the Board of Directors (or any member of the Board of Directors on the instructions of the Board of Directors) executes the agreement with Director General in which his rights, liabilities and responsibility are determined.

The term of Director general is 3 (three) years from the date of the decision of the Board of Directors on his appointment to the indicated position.

Rights and liabilities of the Company's Director General on managing current activity of the Company are determined by legislation and other legal acts of Russian Federation, and by the agreement (contract) executed with the Company. The agreement (contract) is signed by the Chairman of the board of Directors or by the party authorized by the Board of Directors on behalf of the Company.

The terms of the agreement (contract) with the Company's Director General including the part of his award are determined by the Board of Directors.

The course of business of the Company's Director General is determined by the internal document of the Company – "Regulations of the Chief Executive Officer".

8.3 Combining the position of Director General with paid positions in other organizations is allowed only with consent of the Board of Directors of the Company (excluding cases of representation of interests of the Company in the administration of the affiliated companies of the Company and other organizations in which the Company is a participant.).

8.4 The Board of Directors is entitled to make a decision on pre-term termination of the full power of the Company's Director General with parallel termination of the agreement between them at any time.

8.5 The Board of Directors of the Company is entitled to make a decision on suspense of full power of the Company's Director General based on:

- a) application of Director General with request of removal of is own free will;
- b) his conviction of commission of crime according to the existing legislation;
- c) undue performance of liabilities of Director General taking of interest of the Company and/or stockholders, including the case of making unreasonable decision causing damage to the Company's property, illegal use of it, or other damage to the Company's property;
- d) lasting disablement and other circumstances barring implementation of the liabilities of the Company's Director General;
- e) other circumstances set by the Labour Code.

8.6 Concurrently with the decision of suspense of full powers of Director General the Board of Directors makes decision on calling the extraordinary general stockholders' meeting to solve the question of pre-term termination of full powers of the Company's Director General and appointment of new Director General, and about appointment of Acting Director General for the period prior the extraordinary general stockholders' meeting.

All decisions set in this Paragraph are made by the majority of the Board of Directors of three quarter of votes, thereby the votes of exiting members of the Boards of Directors are not considered.

8.7 Within the competence of the Company's Director General there is solving of all questions of managing the Company's current activity, excluding the issues within the exclusive competence of the general stockholders' meeting and the Board of Directors of the Company. The Company's Director General organizes the enforcement of decisions of the general stockholders' meeting and the Board of Directors of the Company and is subject to them.

8.8 The Company's Director General acts without the power of attorney on behalf of the Company including, with consideration for limitations set by the existing legislation, the charter and decisions of the Board of Directors:

- guarantees the enforcement of the decisions made by the general stockholders' meeting and the Board of Directors of the Company;
- implements current management of the Company's activity;
- represents the Company's interests in the Russian Federation and abroad in relations with other organizations, ventures, institutions, other legal and individual persons;
- opens settlement and other accounts in banks and other credit organizations (as also in cases implied by law – in organizations that are professional participant at the financial market);
- makes transactions on behalf of the Company including transactions related to assignment or other encumbrance of property within power set by law, this Charter and internal documents of the Company;
- grants powers of attorney on behalf of the Company and revokes them;
- represents the Company's interests in regular courts, arbitration and intermediate courts, and implements appropriate full powers set by the legislation of Russian Federation;
- guarantees implementation of the Company's activity plans necessary for solution of its problems;
- organizes maintenance of accounting record and financial statements of the Company;
- issues orders, affirms (accepts) instructions, local normative acts and other Company's internal documents on the questions of his competence, makes orders binding on all the employees of the Company;

- approves internal documents (regulations) regulating the activity of affiliated companies and the offices of the Company;
- in accordance with the general structure of executive office of the Company approves staffing chart, the estimate of expenditure for maintenance, amounts and forms of payment for labor of the Company's employees;
- realizes rights and liabilities of employer set by the labor legislation according to this Charter in relation to the Company's employees including heads of branches and offices of the Company;
- approves (amends and annexes) the technical and financial plan of the Company for the next financial year, quarter;
- introduces to the Board of Directors the question about establishment of new branches and offices, and liquidation of branches and offices of the Company;
- appoints heads of branches and offices of the Company and relieves them from office in the order set by this Charter;
- in accordance with the general structure of executive office of the Company approves staffing chart and the post salaries of the employees;
- issues orders, affirms (accepts) instructions, local normative acts and other Company's internal documents on the questions of his competence, makes orders binding on all the employees of the Company;
- makes decision on hiring and dismissal of employees of the Company excluding Deputy Directors;
- makes labor contracts (agreements) with the employees of the Company;
- stimulates the employees of the Company and imposes fines on them;
- guarantees arranging of favorable and safe conditions of work for the employees of the Company;
- guarantees framing, execution and performance of the collective contract;
- guarantees implementation of the Company's liabilities for the budget and counteragents according to the contracts of the Company;
- elaboration of recommendations for the Board of Directors in relation to the use of reserve and other funds of the Company;
- implements control of rational and economical use of material, labor and financial resources;
- organizes security of the confidential information of the Company;
- organizes the contest of election of the auditor of the Company;
- introduces to the Board of Directors of the Company the reports on financial and economic activity of the affiliated and dependant companies whose shares are owned by the Company, and information about other organizations in which the Company participates;
- introduces to the Board of Directors of the Company reports and documents to be approved (considered, confirmed) by the Board of Directors, and reports and documents determined on the basis of a separate decision of the Board of Directors;
- not later than 45 (forty five) days prior the annual general stockholders' meeting introduces to the Board of Directors the annual report, balance sheet, profit and loss account, distribution of profit and loss of the Company;
- organizes security of the confidential information of the Company;
- solves other questions on the Company's current activity excluding questions of the competence of the only stockholder and the Board of Directors.

8.9 Upon the decision of the general stockholders' meeting the full powers of Director General of the Company can be delegated to the managing organization.

8.10 In case of delegation of full powers of Director General of the Company to the managing organization, its position, full powers, rights and liabilities are determined by the normative legal acts of Russian Federation and the contract (agreement) executed with it by the Company. The contract (agreement) with the managing company is signed by the Chairman of the Board of

Directors of the Company or a party authorized by the Board of Directors of the Company on behalf of the Company.

The terms of the contract with the managing company including the part of duration of full powers are determined by the Board of Directors of the Company.

8.11 Director General of the Company, the managing company without the preliminary approval of the Board of Directors of the Company are not entitled to perform significant transactions subject to which is the property whose cost totals from 25 to 50 per cent of the balance cost of the assets of the Company determined according to the data of the financial statement dated the latest reporting date (excluding transactions performed in the process of ordinary economic activity of the Company, transaction connected with placement of ordinary shares of the Company by means of bond (realization), and transactions connected to placement of equity securities converted to the ordinary shares of the Company), and transactions which according to this Charter are to be made pursuant the approval procedure applicable to significant transactions, including:

- transactions (loan, credit, recognizance, bond, bill, lease, easement, participation in co-partnership, transfer of property to a trust) connected to purchase, encumbrance, assignment or possibility of assignment of the property by the Company the cost of which totals from 5 to 25 per cent of the balance cost of the Company's assets determined according to the data of the financial statement dated the latest reporting date;
- transactions connected to purchase, encumbrance, assignment or possibility of assignment of any real property of the Company;
- transactions connected to transfer of the Company's property without compensation and render of services without compensation to the members of the Board of Directors, chief executive officer, the managing organizations, members of the auditing committee (auditor), the auditor of the Company and/or third parties;
- charity and sponsoring transactions.

8.12 Director General of the Company, the managing organization without the preliminary approval of the Board of Directors of the Company are not entitled to perform significant transactions:

- subject to which is the property whose cost totals more than 50 per cent of the balance cost of the assets of the Company determined according to the data of the financial statement dated the latest reporting date;
- subject to which is the property whose cost totals from 25 to 50 per cent of the balance cost of the assets of the Company determined according to the data of the financial statement dated the latest reporting date, in the event if the members of the Board of Directors have not come to an agreement on approval of a significant transaction.

ARTICLE 9. THE COMPANY'S PROPERTY AND TRANSACTIONS WITH THE COMPANY'S PROPERTY

9.1 The Company is the owner of the property belonging to it, including the property delivered to it by the stockholders. The Company's stockholders are not in title to the property introduced to the Charter of the Company.

9.2 In accordance with the legislation of Russian Federation the Company effects free owning, using and managing of its property.

9.3 The Company's property forms primary funds and circulating assets and other property the cost of which influences its independent balance. The sources of formation of the property,

income, balance and net profit of the Company are formed according to the order set by the legislation of Russian Federation.

9.4 The Company establishes the reserve fund in the amount of 5 (five) % of the charter capital of the Company.

The reserve fund of the Company is generated by means of obligatory annual deductibles in the amount of 5 (five) % of the net profit of the Company until it reaches the amount set in this Paragraph.

The reserve fund of the Company is intended to cover losses and to retire bonds of the Company in case of absence of other assets.

The reserve fund cannot be used for other purposes.

The assets of the reserve fund are used upon the decision of the Board of Directors.

The Company is entitled to form other funds the regulations of which are approved by the Board of Directors.

9.5 Significant transactions, transactions to be approved according to this Charter and transactions in relation to which there is interest, are performed by the Company only after approval of the meeting of stockholders or the Board of Directors in the order established by the federal Law "About Joint-Stock Societies".

9.6 To determine the market cost of the property an independent assessor can be attracted.

Attraction of an independent assessor is obligatory for determining the cost of redemption of stock of the stockholders by the Company in accordance with Paragraph 76 of the Federal Law "About Joint-Stock Societies", and in other cases set by the Federal Law "About Joint-Stock Societies".

In case of determining of the cost of placement of securities, the cost of purchase or the cost of demand and the cost of offer of which are regularly published in the press, attraction of an independent assessor is not obligatory, and to determine the market cost of such securities there should be considered such cost of purchase or cost of demand and cost of offer.

Till the City of Moscow owns more than 2 (two) % of the voting shares of the Company attraction of the state financial control authority is obligatory.

ARTICLE 10. DIVIDEND POLICY

10.1 Notion, aims and subjects of the dividend policy.

10.1.1 The Company's stockholders' rights for dividends are realized by means of the dividend policy which is regulated formal procedure of forming the sources of dividend payout, calculation of dividends, and the order of performing of their payment in the Company.

10.1.2 The principal subjects of the dividend policy of the Company:

- improvement of results of financial and economic activity of the Company;
- maximization of the total income of the stockholders with maintaining of reasonable financing of the Company's activity;
- increase of the market cost of the Company's shares.

10.1.3 The elements of the dividend policy of the Company:

Dividend is a part of the Company's net profit for one share to be distributed among the stockholders;

Net profit for dividend distribution is a part of the Company's net profit distributed among the stockholders proportionally to the number and type of shares belonging to them. For each share of the same category and type the same dividends are charged;

Reinvestment of profit is redistribution of profit in the Company's capital with the aim of expansion of production;

Reserve fund is a part of the Company's own capital generated by means of annual deductibles from its profit until reaching the amount set by this Charter, which is necessary of covering losses and refunding of bonds of the Company, and repurchase of own stock in case of absence of other means;

Consumption fund is generated by means of deductibles of the Company's net profit for implementation of social payments and bonus payments for the employees, coverage of managements and administrative expenses not included into the prime cost. Coverage of expenses related to alimentation of the Company's social objects;

Total income from the stock is generated by dividend payouts and income from the change of the market price of the shares.

10.2 Principles of forming of the dividend policy

Principles of the dividend policy determine the approach to forming of the sources for dividend payouts, calculation of amount of dividends, and are based on determining of the sequence of analytic, calculation and control procedures.

10.2.1 Main principles of the Company's dividend policy:

1) *Principle of accordance of the criteria of dividend calculation to requirements of legislation.*

This principle implies that the procedure of calculation and distribution of dividends is based on the requirements of legislation of Russian Federation and the City of Moscow.

2) *Principle of the maximum statement of the financial result of the activity and the current financial and economic state of the Company.*

This principle guarantees realization of the dividend policy on the basis of the actual results of the activity of the joint-stock company with consideration for all the factors influencing its financial and economic activity.

3) *Principle of optimality of accumulative saving.*

The principle of optimality of accumulative saving of the Company is realized on the basis of priority of the investment project and assessment of efficiency of this project and practicability of its realization.

4) *Principle of reasonableness of formation of consumption fund.*

Principle of reasonableness of formation of consumption fund by the Company is based on objective consideration of facts providing financial results of the Company's activity sufficient for formation of its consumption fund.

5) *Principle of transparency for the stockholders of the share of management and administrative expenses in the financial activity.*

The principle of transparency means that verification of management and administrative expenses of the Company is available and clear for the stockholders and does not influence much on reduction of the amount of dividend payouts.

10.3. Limitation of dividend payout.

10.3.1 The Company is not entitled to make decision (declare) on dividend payout of shares:

- on the Company's balance;
- until the full repayment of the total charter capital of the Company;
- until repurchase of all the shares that were to be repurchased by the Company in accordance with Article 76 of the Federal Law "About Joint-Stock Societies";
- if at the date of making of the decision (declaration) about dividend payout the Company meets the insolvency (bankruptcy) test in accordance with the legislation of Russian Federation about insolvency (bankruptcy) or if the Company will meet the indicated test as the result of dividend payout;
- if at the date of making of the decision (declaration) about dividend payout the cost of the Company's net assets is less than its charter capital and reserve fund or will become less than their amount as the result of making of such decision.

10.3.2 The Company is not entitled to pay out the declared dividends:

- if at the date of dividend payout the Company meets the insolvency (bankruptcy) test in accordance with the legislation of Russian Federation about insolvency (bankruptcy) or if the Company will meet the indicated test as the result of dividend payout;
- if at the date of dividend payout the cost of the Company's net assets is less than its charter capital and reserve fund or will become less than their amount as the result of dividend payout.

Upon termination of circumstances indicated in this paragraph the Company shall pay the declared dividends to the stockholders.

10.4. Sources of generation of assets for dividend payout.

10.4.1 The assets to be charged and paid as dividends of the Company's shares are generated from its net profit for the reporting period if sufficient. For dividend payout it can be used undistributed profit of the past periods.

10.4.2 Distribution of the Company's net profit is implemented according to the development strategy selected by the Company which can be directed on setting the following aims:

Strategic aims:

- increase of effectiveness of the Company's activity by means of its modernization and reconstruction;
- conservation of existing and attainment of the new market segments for its production/services (purchase and development of new technologies, pursuing active marketing policy, guarantee the Company's entrance to the world market);
- elaboration and realization of investment projects directed at increase of the market advantages of the Company (improvement of the quality of products and services);
- introduction of effective methods of managing the Company;
- increase of security of the Company's activity.

Tactical aims:

- growth of the course cost of the Company's shares;
- receiving of profit from sale of own shares;
- expansion of the range of existing investors.

10.4.3 According to the selected strategy of the Company and set aims the distribution of the Company's net profit is implemented, it can be implemented only in the following directions:

- reinvestment of a part of the Company's net profit – up to 35%;
- obligatory deductibles to the Company's reserve fund – up to 5%;
- deductibles to the consumption fund and other funds implied by this Charter – up to 10%;
- dividend payouts to the stockholders of the joint-stock company – not less than 50%.

10.4.4 The Company can change proportion of distribution of net profit in the following cases:

- 1) while implementing reinvestment of profits according to the Technical and Economic Assessment approved by Department of Property of the City of Moscow
- 2) when increasing the amount of deductibles to the consumption fund in case of increase of the Company's net profit as opposed to the past year.

If the amount of investments directed to reinvestment is more than 35% of the net profit the Company needs to elaborate the assessment of the investment project in accordance with the requirements set by the Moscow Government. The procedure of making the decision on direction of a part of profit for reinvestment is implemented in accordance to the procedure set by Paragraph 9.7 of this Charter.

Discounted payback period of the Company's investment project requiring the reinvestment of profit cannot be more than 5 (five) years.

Upon the Company's intention to attract credit assets exceeding 25% of the balance cost of its assets the return of which will later lead to reduction of dividend payout it shall receive the approval of the Department of Property of the City of Moscow according to the procedure set for investment projects.

10.4.5 The deductibles to the consumption fund from the Company's net profit are implemented in amount set by this Charter until achieving the limit determined by Art. 35 of the Federal Law "About Joint-Stock Societies" – not less that 5% of the Company's charter capital.

10.4.6 The amount of deductibles to the consumption fund of the joint-stock company can be increased in case of increase of the Company's net profit in the reporting financial year as opposed to the past year. The amount of deductibles to the Company's consumption fund is determined as estimated value based on comparison of data on financial statements for the reporting and past financial years.

At the basis of calculation of amount of deductibles to the joint-stock company's consumption flight there are the data of the part year that cannot exceed 10% of the joint-stock company's net profit as they are the primary basis for the following calculations directed on optimization of the internal expenses. The calculation of the amount of deductibles is implemented according to the following formula:

Ded. CF = Ded. CF past + (MER x Ded. CF past), where

MER – Management efficiency ratio;

Ded. CF – deductibles to the consumption fund;

Ded. CF past - Deductibles to the consumption fund for the past year.

Management efficiency ratio is calculated according to the formula:

$$\text{MER} = \frac{\text{NP} - \text{NP past}}{\text{NP past}}, \text{ where}$$

NP – net profit of the reporting financial year;

NP past – net profit of the past reporting financial year.

If according to the annual results the Company has got loss the deductibles to the consumption fund are not performed.

10.4.7 The amount of deductibles to the funds of the Company, to reinvestment of profits and dividend payout are approved by the general stockholders' meeting.

10.5. More of calculation of the amount of dividends.

10.5.1 The basis of calculation of the amount of dividends of the Company's shares are the following documents:

- Accounting balance-sheet for reporting years (Form #1);
- Profit and loss report for reporting period (Form #2);
- Statement of changes in equity for reporting period (Form #3);
- Balance sheet supplement for reporting years (Form #5);
- Statute of dividend policy of the City of Moscow as a stockholder;
- Technical and economic assessment of the realized (to be realized) investment project;
- this Charter.

On the basis of the indicated reporting documents the calculation of the following indexes are performed to determine the amount of dividends:

- reserve fund (RF) for the reporting date;
- charter capital (CC) for the end of the financial year;

- net profit (NP) according to the results of the financial year;
- part of net profit for reinvestment (RP);
- part of profit for the consumption fund (Rep.CF).

Calculation of the amount of dividends is performed according to the following formula:

D = NP – Rep. RF – RP – Rep. CF, where

D – the amount of dividends to be paid to the stockholders;

Rep. RF – deductibles to the reserve fund.

10.5.2 In the event if the Company performs progress payments, the dividends are calculated according to the same formula on the basis of the reported data for the period during which the payments are performed.

Calculation of dividends for the reporting year along with dividend progress payout is performed according to the formula:

D = NP – Rep. RF – RP – Rep. CF – D', where

D' – the amount of progress dividends paid to the stockholders;

RP – the part of net profit for reinvestment.

10.6 Procedure, terms and form of dividend payout.

10.6.1 The decision on payout of annual dividends, their amount and form of payment for each category (type) of shares is made by the general stockholders' meeting at the recommendation of the Company's Board of Directors in accordance with the procedure set by this Charter. The amount of dividends cannot be more than the one recommended by the Company's Board of Directors and less than the paid progress dividends.

10.6.2 Dividends are paid only in the form of money assets.

10.6.3 the date of dividend payout is determined by the Company's charter or by decision of the general stockholders' meeting on annual dividend payout.

10.6.4 A list of persons entitled to get the dividend is fixed for each dividend payout. The list of persons entitled to get the dividend is fixed for the date of fixing the list of persons entitled to participate in the general stockholders' meeting at which the decision on appropriate dividend payout is made. For fixing the list of persons entitled to get the dividend the nominal stockholder presents the data about the persons in interest of which he owes the shares.

10.6.5 The procedure of dividend payout is determined by the decision of the general stockholders' meeting on dividend payout and the stockholders are notified about it within the procedure set by this Charter.

10.6.6 Dividend payout by the Company according to the results of the first quarter, half year and nine months of the financial year is performed in the order similar to the annual dividends payout and determined in this paragraph of the Charter.

10.7. Procedure of approval of the decision on reinvestment of profits.

10.7.1 Validation of the new investment project elaborated in accordance with Paragraph 13.4 of this Charter along with suggestion of reinvestment of net profit is introduced by the Company within 30 (thirty) days after the end of the financial year to the Company's Board of Directors and Department of Property of the City of Moscow.

In case of positive decision on realization of the new investment project and direction of the net profit to reinvestment Department of Property of the City of Moscow implements economic monitoring for the purpose of financial control of realization of the investment project.

10.7.2 The economic monitoring of the investment project is implemented not rarer than once (1) in 6 (six) months on the basis of the standard report of the joint-stock society (made up according to the form set by the Government of the City of Moscow) in the following directions:

- analysis of economic environment of the project;
- calculation of budget efficiency;
- assessment of the level of deviation of the plan from the project set in the Technical and Economic Assessment.

10.7.3 For verification of continuance of the investment project and reinvestment of the net profit for the following year the Company within 30 (thirty) days after the end of the financial year introduces suggestion on reinvestment of the net profit and the reports on the economic monitoring of the project for the past financial year to the Company's Board of Directors and Department of Property of the City of Moscow.

10.7.4 In case on the Company's non-implementation of the terms of the Technical and Economic Assessment of the investment project the Department of Property of the City of Moscow through its representative is entitled to introduce to the Company's Board of Directors the suggestion on suspense of reinvestment of the net profit. For resumption of reinvestment of the net profit the Company shall elaborate the new Technical and Economic Assessment of this investment project and introduce it to the Company's Board of Directors and Department of Property of the City of Moscow within the procedure set in this Paragraph of this Charter.

ARTICLE 11. CONTROL OF FINANCE AND ECONOMIC ACTIVITY OF THE COMPANY

11.1 Control of finance and economic activity of the Company is implemented by the audit committee (auditor).

11.2 The audit committee (auditor) of the Company are elected by the general stockholders' meeting for the period determined by the federal Law "About Joint-Stock Societies". The audit committee cannot consist of less than 3 (three) members.

11.3 The auditor and the members of the audit committee of the Company cannot have other positions in the management of the Company.

11.4 Full power of separate members or of the whole audit committee (auditor) of the Company can be terminated in advance under the decision of the general meeting of the stockholders.

11.5 In the jurisdiction of the audit committee (auditor) of the Company there are:

- analysis of the financial state of the Company, its financial solvency, assets' liquidity, proportions of own and borrowed assets, net wealth and charter capital, release of reserves of improvement of the economic state of the Company, drawing up of recommendations for the management of the Company;
- implementation of documentary verification (revisions) of financial and economic activity of the Company;
- revision of financial documentation of the Company, accounting reports, conclusions of the committee on inventory of property, comparison of the indicated documents with the data of the initial accounting report;
- analysis of accuracy and completeness of accounting, tax, management and statistic records;
- verification of truthfulness of the data included into the annual reports of the Company, annual accounting reports, reports on profits and loss (accounts of profit and loss), distribution of profit and loss of the Company, reporting documentation for tax, statistic and other organs of state authorities;

- reveal of the facts of break of order of account recording and presentation of financial reports set by legislation and other legal acts of Russian Federation;
- revision of timeliness and accuracy of payments performed by suppliers of production and services, payments to the budget, charging and repayment of dividends, liquidation of other liabilities;
- assessment of practicality of financial and economic operations of the Company;
- revision of validity of decisions and actions of the Company including validity of executed agreements and transactions;
- revision of implementing of the set budget, standards and limits;
- revision of the state of the cash and the property of the Company;
- revision of observance of rules of clerical correspondence and filing financial documentation;
- verification of operative, accounting and statistic records and reporting in the Company;
- revision of implement of recommendations of the previous revisions;
- implementation of other procedures related to revision of financial and economic activity of the Company.

11.6 All decision on the issues under the jurisdiction of the auditing committee of the Company are made by simple majority of votes of the member of the auditing committee participating in the meeting.

Decisions of the auditor of the Company are made at his sole discretion.

11.7 The auditing committee (auditor) of the Company and its members are entitled to:

- be present at the general meetings of the stockholders;
- participate in the meeting of the Board of Directors called by request of the auditing committee (auditor) of the Company;
- in the course of revision require from the Company, directors of departments and services, branches and offices, and officials, to present information (documents and materials) whose study is in the jurisdiction of the auditing committee (auditor) of the Company;
- require written explanations or written conclusions of the officials of the Company on the issues in jurisdiction of the auditing committee (auditor) of the Company;
- in case of necessity to attract specialists in separate issues of financial and economic activity who have no position in the Company;
- realize other rights set by legislation and other legal acts of Russian Federation, this Charter and internal regulations of the activity of the auditing committee (auditor) of the Company.

11.8 The auditing committee (auditor) of the Company and its members shall:

- by the due date inform the general meeting of the stockholders, the Board of Directors, chief executive officer (managing company) of the Company the results of the implemented revisions in the form of conclusion or act;
- assess the reliability of data included into the annual report of the Company and contained in the annual financial statements of the Company;
- keep commercial secret, not disclose confidential data to which is available for the members of the auditing committee (auditor) while performing their duties;
- fix cases of braking regulatory legal acts, this Charter, internal documents, rules and instructions of the Company by employees of the Company and its officials;
- perform revision of financial and economic activity of the Company summarizing the results of the Company's activity during the year, and at any time at the initiative of the persons indicated in the Federal Law "About Joint-Stock Societies", this Charter and the Provision about the auditing committee;
- act in the interests of the Company, realize its rights and fulfill its duties in relation to the Company in good faith and prudently;

- fulfill other duties set by legislation and other legal acts of Russian Federation, this Charter and internal regulations of activity of the auditing committee (auditor) of the Company.

The auditor and the members of the auditing committee of the Company shall be present at the annual general meeting of the stockholders and answer the questions of the participants of the meeting.

11.9 Upon revision the members of the auditing committee (auditor) of the Company shall study all existing and received documents and materials subject to the revision. In the events when revealed breach in financial and economic activity of the Company or threat against interests of the Company require solution of questions under jurisdiction of the Board of Directors and the general stockholders' meeting, the auditing committee (auditor) of the Company is entitled to call the meeting of the Board of Directors and an extraordinary general stockholders' meeting of the Company.

11.10 Revision of financial and economic activity of the Company is performed according to the results of the Company's activity during the year and at any time at the initiative of the auditing committee (auditor) of the Company, the decision of the general stockholders' meeting, the Board of Directors or by request of the shareholder owing in total not less than 10 (ten) % of the voting shares of the Company.

11.11 At request of the auditing committee (auditor) of the Company and its members the officials of the Company, the employees of the Company (including the senior accountant, director of the financial department, corporate secretary) shall present the documents on financial and economic activity of the Company.

11.12 For the purpose of performing the revision of financial and economic activity of the Company including maintaining of accounting and tax records and financial statements the Company annually attracts an auditor independent from property interests of the Company or its stockholders.

11.13 The auditor of the Company is annually approved by the general stockholders' meeting. The election of the auditor of the Company is performed on the contest basis according to the legislation and other legal acts of Russian Federation.

11.14 The auditor performs control of financial and economic activity of the Company according to regulatory legal acts of Russian Federation on the basis of the agreement with the Company.

11.15 Auditing revision of financial and economic activity of the Company shall be performed at any time at the request of the shareholder (stockholders) of the Company owing in total not less than 10 (ten) % of the shares of the Company.

Auditing revision of financial and economic activity of the Company at the request of the shareholder (stockholders) shall be initiated not later than 30 (thirty) calendar days from the date of the presentation to the Company of the requirement for its implementation. The period of such revision shall not exceed 60 (sixty) calendar days.

The terms of the agreement on performing auditing revision of the Company's activity at the request of the shareholder, executed with the auditor including the part of costs of the auditor's service are determined by the Board of Directors.

11.16 Summarizing the results of financial and economic activity of the Company the auditing committee of the auditor of the Company will make a conclusion that shall contain:

- verification of reliability of the data contained in reports and other financial documents of the Company;

- the information about facts of breach by the Company of order set by the legislation and other legal acts of Russian Federation of maintaining of accounting records and presentation of financial statements, and the legal acts of Russian Federation upon implementation of financial and economic activity.

ARTICLE 12. LIABILITIES OF COMPANY'S OFFICIALS

12.1 Members of the Board of Directors, Chairman of the Board of Directors, Director General, alternate Director General while realizing their rights and implementing their liabilities shall act in the Company's interests, realize their rights and implement their liabilities in relation to the Company reasonable and in good faith.

The indicated officials cannot use the possibilities of the Company in any interests but for the Company's interest.

12.2 Members of the Board of Directors, Chairman of the Board of Directors, and Director General of the Company are responsible for the damages caused to the Company by their acts (omission) including decisions of appropriate authorities managing the Company but for the cases when at the moment of decision the indicated persons were not able to foresee or prevent arising of such consequences.

Those of the Board of Directors who had voted against the decision that led to damages or those who had not participated in the vote do not bear responsibility.

12.3 The Company or the shareholder (stockholders) owning in total not less than 1% of issued ordinary shares is entitled to sue a member of Board of Directors, Chairman of the Board of Directors, Director General, alternate Director General for compensation of damages of the Company in cases implied in Paragraphs 12.1 and 12.2 of this Charter.

12.4 Stockholders, members of Board of Directors, Director General are personally liable for meeting the requirements of the legislation of the Russian Federation about State Secret.

ARTICLE 13. DOCUMENTS CUSTODY. INFORMATION DISCLOSURE

13.1 The Company is obliged to file the following documents:

- the agreement on the establishment of the Company;
- this Charter, amendments and annexes to this Charter registered in the established order, the decision about establishment of the Company, the documented registration of the Company;
- the documents confirming the Company's rights to the property of its balance;
- internal documents of the Company;
- branch or office regulations
- annual reports;
- accounting records;
- financial statements;
- minutes of the general meeting of the stockholders, meetings of the Board of Directors, auditing committee of the Company;
- voting bulletins and powers of attorney (copies of powers of attorney) for participation in the general stockholders' meeting;
- reports of independent assessors;
- lists of affiliated persons of the Company;
- lists of the persons who are entitled to participating in the general stockholders' meeting, entitled to draw dividends, and other lists made up by the Company for implementation of the

rights by the stockholders in accordance with the requirements of the Federal Law “About Joint-Stock Societies”;

- conclusions of the auditing committee and the auditor of the Company, state and municipal finance control authorities;
- prospects of emission, quarterly reports of the issuer and other documents containing information to be published or disclosed by other means in accordance with the Federal Law “About Joint-Stock Societies” and other federal laws;
- other documents set by the Federal Law “About Joint-Stock Societies”, this Charter, internal documents of the Company, decisions of the general stockholders’ meeting, the Boards of Directors, Chief executive officer (managing company) of the Company, and documents set by other legal acts of the Russian Federation.

13.2 The Company files the documents set in Paragraph 13.1 of this Charter at address (location) of the Chief executive officer (managing company) of the Company according to the order and during the terms set by Federal Executive Authority on Financial Market.

13.3 Information about the Company is presented by the Company in accordance with requirements of the Federal Law “About Joint-Stock Societies” and other legal acts of the Russian Federation.

13.4 The Company shall provide the stockholders with access to the documents set by Paragraph 13.1 of this Charter. The accounting records are available to the stockholders (shareholder) in possession of not less than 25 % of the voting shares of the Company.

13.5 The documents set in Paragraph 13.4 of this Charter shall be presented by the Company within 7 (seven) days from submitting of the appropriate request for familiarization in the office of Chief executive officer (managing company) of the Company.

Within 7 days at the request of parties having access to the documents set in Paragraph 13.4 of this Charter the Company shall present to them the copies of the indicated documents. The sum charged by the Company for presentation of such copies cannot exceed expenses for their preparation.

13.6 Obligatory information disclosure is implemented by the Company in the volume and according to the order set by the federal executive authority on financial market.

The Company promptly presents information to the Property Department of the City of Moscow and to all parties concerned including other executive authorities of the City of Moscow, in the volume and according to the order set by the legal acts of federal executive authority managing the issues of disclosure of information by the issuers of equity securities.

13.7 The Company places the information to be disclosed and is entitled to place additionally the information determined by decision of the Board of Directors on the internet-site of the Company.

ARTICLE 14. REORGANIZATION AND LIQUIDATION OF THE COMPANY

14.1 The Company can be reorganized at free will upon the decision of the general meeting of the stockholders pursuant the Federal Law “About Joint-Stock Societies”.

Other basis and the order of reorganization of the Company are defined by legislation of the Russian Federation.

14.2 Reorganization of the Company can be implemented in the form of a merger, accession, division/separation, extraction, and

transformation pursuant
pursuant the Federal Law “About Joint-Stock Societies”.

14.3 The Company can be liquidated at free will or under the court decision on the basis and pursuant legislation of the Russian Federation.

ARTICLE 15. FINAL PROVISIONS

15.1 This Charter comes into effect upon its registration pursuant the legislation of the Russian Federation.

15.2 The decision on amending and annexing this Charter is taken at the general meeting of the stockholders pursuant to the Federal Law “About Joint-Stock Societies” and comes into effect upon the state registration of such amendments.

15.3 The provisions of this Charter shall be invoked if in accordance with legislation and other legal acts of the Russian Federation. In the event if in the result of modification of legislation and other legal acts of the Russian Federation separate provisions of this Charter contravene them, they cease to be in force and are not applicable until this Charter is appropriately amended.