

APPROVED

By the General Meeting of Shareholders
of the Open Joint Stock Company Far
Eastern Telecommunications Company

Minutes No., 11

Dated December 24, 2002

Chairman of the General Meeting
собрания

_____ I.V. Zabolotny

ARTICLES OF ASSOCIATION
Of the Open Joint Stock Company Far Eastern
Telecommunications Company
(edition 4)

CLAUSE 1. GENERAL PROVISIONS

1.1. The Open Joint Stock Company Far Eastern Telecommunications Company (till October 30, 2001 Open Joint Stock Company Electric Communication of Primorsky region) hereinafter referred to as the Company incorporated by the regulation of the Public property management Committee of Primorsky region No., 101 dated April 19, 1994 'About privatization of public enterprise of communication and computer science Rossvyazinform of Primorsky region' subject to Russian Federation President order dated December 22, 1992 No., 1003 'About privatization of communication enterprises'.

The company was registered by the department of registration and business assistance of financial department of Vladivostok city Administration on May 12, 1994. Registration number is 5464.

1.2. The OJSC Far Eastern Telecommunication Company was reorganized by the resolution of the General meeting of Shareholders in form of affiliating Open Joint Stock Company of communication and computer science of Amur region (OJSC Amursvyaz), Open Joint Stock Company Kamchatsvyazinform (OJSC Kamchatsvyazinform), Open Joint Stock Company Magadansvyazinform (OJSC Magadansvyazinform), Open Joint Stock Company Sakhalinsvyaz (OJSC Sakhalinsvyaz), Open Joint Stock Company Telephone and Telegraph Company of Jewish Autonomous Region (OJSC Telephone and Telegraph Company of Jewish Autonomous Region), Open Joint Stock Company Electric Communication of Khabarovsk region (OJSC Electrocommunication of Khabarovsk region).

Subject to:

- transfer deed approved by the General Meeting of Shareholders of the OJSC Amursvyaz on September 25, 2001;
- transfer deed approved by the General Meeting of Shareholders of the OJSC Kamchatsvyazinform on June 21, 2001;
- transfer deed approved by the General Meeting of Shareholders of the OJSC Magadansvyazinform on June 21, 2001;
- transfer deed approved by the General Meeting of Shareholders of the OJSC Sakhalinsvyaz on June 27, 2001;
- transfer deed approved by the General Meeting of Shareholders of the OJSC Telephone and Telegraph Company of Jewish Autonomous Region on June 9, 2001;
- transfer deed approved by the General Meeting of Shareholders of the OJSC Electric Communication of Khabarovsk region on June 22, 2001;

The Company shall be transferee of all rights and liabilities of the OJSC Amursvyaz, OJSC Kamchatsvyazinform, OJSC Magadansvyazinform, OJSC Sakhalinsvyaz, OJSC Telephone and Telegraph Company of Jewish Autonomous Region, OJSC Electric Communication of Khabarovsk region with respect to all liabilities to their creditors and debtors.

Termination of activity of the OJSC Amursvyaz was registered in Amur region Ministry of tax on September 30, 2002 as a result of its reorganization by its affiliation to the OJSC Far Eastern Telecommunications Company.

Termination of activity of the OJSC Kamchatsvyazinform was registered in Kamchatka region Ministry of tax in Petropavlovsk-Kamchatsky on September 30, 2002 as a result of its reorganization by its affiliation to the OJSC Far Eastern Telecommunications Company.

Termination of activity of the OJSC Magadansvyazinform was registered in Magadan region Ministry of tax on September 30, 2002 as a result of its reorganization by its affiliation to the OJSC Far Eastern Telecommunications Company.

Termination of activity of the OJSC Sakhalinsvyaz was registered in Sakhalin region Ministry of tax on September 30, 2002 as a result of its reorganization by its affiliation to the OJSC Far Eastern Telecommunications Company.

Termination of activity of the OJSC Telephone and Telegraph Company of Jewish Autonomous Region was registered in Amur region Ministry of tax in Birobidzhan on September 30, 2002 as a result of its reorganization by its affiliation to the OJSC Far Eastern Telecommunications Company.

Termination of activity of the OJSC Electric Communication of Khabarovsk region was registered in Ministry of tax of Central district of Khabarovsk city on September 30, 2002 as a result of its reorganization by its affiliation to the OJSC Far Eastern Telecommunications Company.

CLAUSE 2. COMPANY NAME, LOCATION

2.1. Company full name in Russian shall be Открытое акционерное общество «Дальневосточная компания электросвязи».

2.2. Company abbreviated name in Russian shall be ОАО «Дальсвязь».

2.3. Company full name in English shall be Open Joint Stock Company Far East Telecommunications Company .

2.4. Company abbreviated name in English shall be OJSC FETEC.

2.5. Company location shall be 57 Svetlanskaya St., Vladivostok State Post Office 690950

2.6. Company mailing address shall be 57 Svetlanskaya St., Vladivostok State Post Office 690950

CLAUSE 3. COMPANY LEGAL POSITION

3.1. The Company has business organization of Joint Stock Company. The Company shall have unlimited period.

The Russian Federation Civil Code, Federal Law “about Joint Stock Company”. Other federal laws, other Russian Federation acts adopted by respective public authorities within their power as well as the present Articles of Association shall

determine Company legal position, operation procedure, procedure for dissolution and reorganization and shareholders' rights and obligations.

In case of further modification of Russian Federation current regulations in force the Articles of Association shall be effective in part not in conflict to binding laws.

The Company shall be governed by the current RF legislation in force and by other legal regulations adopted within power of respective public authorities on matters not covered by these Articles of Association.

3.2. The Company shall be an incorporated person and shall own estate in severalty accounted on its independent balance, shall on its own behalf purchase and exercise property and personal non-property rights, have obligations, to sue and be sued.

The Company shall have round seal with full company name in Russian and location and other seals with various inscriptions subject to established procedure, stamps and letterheads with Company name, logotype, brand registered subject to established procedure and other visual identification means.

Company branches and other structural divisions shall be allowed to have round seal with full name of Company, branch, structural division in Russian and Company registered office as well as other seals with inscriptions subject to established procedure, respective stamps and forms in single company style, and information about availability of round seals shall be mentioned in provisions of respective branches and structural divisions.

The Company shall have a right to open accounts within RF and beyond its borders subject to established procedure.

3.3. The Company shall be liable within property it owns subject to recovery under Russian Federation laws. Shareholders shall not be liable for Company liabilities and shall bear risk of losses related to its business within value of shares held by them. Shareholders holding not fully paid up shares shall be jointly and severally liable for company liabilities within unpaid amount of shares held by them.

3.4. The Company shall not be liable for liabilities of state, its authorities and shareholders as well as State, its authorities and shareholders shall not be liable for Company liabilities.

3.5. The Company for the purpose of public, social, economic and tax policy shall be responsible for keeping documents (managerial, financial and business, personnel and other documents), shall ensure filing in public records of documents with scientific and historical value, shall keep and use subject to established procedure personnel documents as well as personal files of Company employees.

CLAUSE 4.

COMPANY PURPOSE AND BUSINESS:

4.1. The Company shall have purpose of profit making.

4.2. The Company main business shall include

4.2.1. local and intraband communication.

- 4.2.2. local, intraband, long- distance and international communication through coin-box telephones and collective use stations;
- 4.2.3. long-distance and international communication;
- 4.2.4. GSM-900 cellular mobile communication;
- 4.2.5. mobile radio telephone communication;
- 4.2.6. mobile radio communication;
- 4.2.7. personal radio call;
- 4.2.8. personal radio call with division multiplex VHF FM;
- 4.2.9. channel lease;
- 4.2.10. telematic services (including e-mail), access to information resources, reference service, telefax, Comfax, Bureafax, message processing service, voice message, IP-telephony, audio conferencing, video conferencing and intelligent network,
- 4.2.11. data transmission;
- 4.2.12. telegraph services (including telegram), AT/Telex;
- 4.2.13. cablecasting;
- 4.2.14. teleprogram;
- 4.2.15. TV broadcasting using communicators;
- 4.2.16. radio broadcasting using communicators;
- 4.2.17. local telephone communication with radio access devices;

- 4.2.18. TV broadcasting using communicators (MMDS);
- 4.2.19. works related to use of state secret information;
- 4.2.20. measures and (or) services of state secret protection;
- 4.2.21. measures and (or) services of state secret protection related to coding authority operation;
- 4.2.22. measures and (or) services of state secret protection in terms of information technical protection;
- 4.2.23. arranging and taking measures of protecting communication secret and other secrecy secured by the law;
- 4.2.24. designing buildings and structures with development of special sections such as environment protection, fire safety etc.
- 4.2.25. examination of design documents and drafts;
- 4.2.26. construction, overhaul, reconstruction, expansion, technical reequipment of communication installations;
- 4.2.27. construction, overhaul, reconstruction, expansion, technical reequipment of public works;
- 4.2.28. geodesic and cartographic activity;
- 4.2.29. training, improvement of engineering manpower, production personnel and management;
- 4.2.30. maintenance, repair and sale of check-out devices;
- 4.2.31. maintenance, repair and sale of communication facilities;
- 4.2.32. assembling, repair and maintenance of alarm systems;
- 4.2.33. arranging recovery of networks and communication facilities in case of emergencies and damage;
- 4.2.34. priority of communication and communication facilities for defense, government, security and law order;
- 4.2.35. measures ensuring communication in emergencies;

4.2.36. actualization of communication networks' mobilization in emergencies subject to established procedure;

4.2.37. consulting;

4.2.38. trade and procurement activity.

4.3. The Company shall have general legal capacity, civil rights and obligations and it shall bear responsibilities necessary to perform other activities not prohibited by Federal laws.

The Company shall perform particular activity enlisted by the Federal laws only by virtue of special permission (license).

CLAUSE 5. COMPANY BRANCHES AND REPRESENTATIVE OFFICES

5.1. The company shall subject to established procedure have a right to form branches and open representative offices both within Russian Federation and beyond its borders. Branches and Representative offices shall not be incorporated persons.

5.2. The Company has branches as follows:

- | | |
|--|---|
| 5.2.1. Primorsky branch | - Located
57 Svetlanskaya St., Vladivostok 690950 |
| 5.2.2. Khabarovsk branch | - Located
44 Muravieva-Amurskogo St., Khabarovsk 680000 |
| 5.2.3. Amur branch | - Located:
159 Gorkogo St., Blagoveschensk 675011 |
| 5.2.4. Jewish Autonomous Region branch | - Located:
16 Sestdesyat let SSSR Prospect, Birobidzhan 682200 |
| 5.2.5. Magadan branch | - Located:
2-A, Lenina prospect, Magadan, 685000 |
| 5.2.6. Kamchatka branch | - located:
56 lenina St., Petropavlovsk-Kamchatsky, 683000 |
| 5.2.7. Sakhalin branch | - Located:
220 Lenina St., Yuzhno-Sakhalinsk 693000 |

5.3. The Company branches and representative offices shall operate subject to provision of them approved by the Board of Directors. The Board of Directors shall take resolution of establishing a branch, opening a representative office and about their liquidation.

The Director General with preliminary agreement with the Company Board of Directors shall appoint and remove from office managers of branches and representative offices who act on Company behalf by virtue of power of attorney.

The Board may by its decision form branch collective executive body arranging implementation of Company bodies' decisions which shall act subject to Provision approved by the Company Board.

CLAUSE 6.
COMPANY AUTHORIZED CAPITAL.
PLACED AND DECLARED SHARES.

6.1. The Company authorized capital shall be 1 267 503 220 rubles.

6.2. The Company authorized capital shall consist of nominal value of shares issued in non-documentary form and purchased by shareholders including

6.2.1. Ordinary registered shares 95 581 421 psc. Nominal value of each ordinary share shall be 10 rubles.

6.2.2. preferred registered shares 31 168 901 pcs. Nominal value of each preferred share shall be 10 rubles.

6.3. The Company shall have a right to place in addition to ordinary shares placed 2 937 604 pieces of ordinary registered non-documentary shares (declared shares). Nominal value of each declared ordinary share shall be 10 rubles.

The Company shall have a right to place in addition to placed preferred shares 2 004 374 pieces of preferred registered non-documentary shares (declared shares).

Nominal value of each declared preferred share shall be 10 rubles.

6.4. Declared shares provided by paragraph 6.3 of the present Articles of Association in case of placement shall have all rights provided by clauses 7,8 of the Articles for Company shares of respective class (type).

6.5. The Company authorized capital may be increased subject to procedure provided by the current RF legislation in force and present Articles of Association as follows:

6.5.1. increasing Company shares' nominal value;

6.5.2. placing additional shares within number of declared shares stated by paragraph 6.3 of the present Articles.

6.6. Increase of the Company authorized capital by increasing nominal value of shares shall be on the basis of Company General Meeting resolution taken by majority of votes of shareholders holding Company voting shares and participating in the Meeting.

6.7. Increase of Company authorized capital by placing additional shares by closed subscription shall be on the basis of resolution of the general Meeting of Shareholders taken by majority of three fourth of votes of shareholders holding Company voting shares and participating in the Meeting.

6.8. Increase of Company authorized capital by placing additional shares by open subscription if number of additionally placed shares exceeds 25 per cent of Company placed shares shall be on the basis of resolution of the general Meeting of Shareholders taken by majority of three fourth of votes of shareholders holding Company voting shares and participating in the Meeting.

6.9. Increase of Company authorized capital by placing additional shares by open subscription safe provided by paragraph 6.7, 6.8 of the present Articles shall be on the basis of the Company Board of Directors' resolution taken unanimously by all members of the Board of Directors without account of votes of withdrawn Company directors.

6.10. additional shares placed by subscription may be paid by money, securities, other goods or property rights or other rights with money value. Payment form of additional shares shall be determined by placement resolution.

6.11. Company authorized capital may be decreased by decreasing nominal value of shares or reducing total number including by way of redemption of part of shares in cases provided by the Federal Law "about Joint Stock Company".

6.12. The Company General Meeting of Shareholders shall take resolution about decrease of Company authorized capital by decrease of shares' nominal value or by redeeming a part of shares by majority of votes of shareholders holding Company voting shares and participating in the Meeting.

6.13. The Company shall not have a right to decrease authorized capital if such decrease will result in amount less than thousandfold amount of minimum remuneration of labor stated by federal law as of date of submitting documents for state registration of respective changes in the Company Articles of Association, if the Company subject to requirements of the current RF legislation in force is obliged to decrease its authorized capital, as of the date of Company incorporation.

6.14. If at the end of second and each consecutive financial year in accordance with annual balance sheet proposed for approval by the Company shareholders or results of audit Company net assets turn out to be less than its authorized capital the Company shall be obliged to decrease its authorized capital down to value not exceeding net assets.

CLAUSE 7. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS HOLDING COMPANY ORDINARY SHARES.

7.1. Each Company ordinary share shall vest a shareholder holding it with similar volume of rights.

7.2. Each shareholder holding Company ordinary shares shall have a right

7.2.1. to participate in the General Meeting of Shareholders subject to procedure established by the current RF legislation in force;

7.2.2. to obtain dividends subject to procedure established by the current RF legislation in force and present articles of Association if they are declared by the Company;

7.2.3. to receive a part of Company property remaining after its dissolution in proportion to shares held by him;

7.2.4. to have access to documents provided by paragraph 1 of clause 89 of the Federal Law “about Joint Stock Companies” subject to procedure established by clause 91 of the mentioned law;

7.2.5. to require from Company Registrar confirmation of shareholder’s rights for shares by issuing extract from Company shareholders’ register;

7.2.6. to receive from Company Registrar information about entries on his account as well as another information provided by the FR regulations establishing procedure for keeping shareholders’ register;

7.2.7. to dispose of shares held by him without consent of Company and other shareholders;

7.2.8. in cases provided by current RF legislation in force to protect his violated civil rights including claim against Company for damages;

7.2.9. to demand all or a part of shares held by him by the Company subject to procedure and cases provided by the current RF legislation in force;

7.2.10. to sell shares back to company if the Company took resolution about such shares’ redemption;

7.2.11. to require from the Company extract from list of persons entitled to participate in the General Meeting of Shareholders;

7.2.12. preferential purchasing of additional shares placed by open subscription and issued securities converted to shares in number proportional to number of shares held by him;

7.3. A shareholder holding more than 1 per cent of Company voting shares shall have a right to request from the Company Registrar information about name of shareholders recorded in the shareholders’ register and about number, class and nominal value of shares held by them (such information shall be provided without mentioning shareholders’ addresses).

7.4. Shareholders (shareholder) holding in aggregate at least 1 per cent of Company placed ordinary shares shall have a right to take legal action against Board of Directors’ member, Company sole executive body, member of Company collective executive body as well as against manager with claim for damages inflicted by the Company as a result of acts (failure) of the above-mentioned persons.

7.5. Shareholders having at least 1 per cent of votes at the General Meeting of Shareholders shall have a right to request from the Company a list of persons entitled to participate in the Meeting. Information from documents and mailing addresses of shareholders included in such list shall be provided only with their consent.

7.6. Shareholders (shareholder) holding in aggregate at least 2 per cent of the Company voting shares shall have a right to enter items to the agenda of the Annual General Meeting of Shareholders and to nominate candidates for Company management and control bodies elected by the General Meeting of Shareholders. The

above-mentioned shareholders (shareholder) shall have a right to nominate candidates to be elected to the Company Board of Directors upon preparation of extraordinary General Meeting of Shareholders.

7.7. Shareholders (shareholder) holding in aggregate at least 10 per cent of the Company voting shares shall have a right to demand from the Company Board of Directors convocation of extraordinary General Meeting of Shareholders. If within period established by the current RF legislation and Company Articles of Association the Board of Directors failed to take resolution about convocation of extraordinary General Meeting of Shareholders or took resolution to reject convocation, extraordinary meeting may be convened by the above-mentioned shareholders (shareholder).

7.8. Shareholders (shareholder) holding in aggregate at least 10 per cent of the Company voting shares shall have a right to demand anytime audit of company financial and business operation.

7.9. Shareholders (shareholder) holding in aggregate at least 25 per cent of the Company voting shares shall have a right of access and copies of accounting documents and minutes of meetings of Company collective executive body.

7.10. Shareholders holding Company ordinary shares shall have other rights provided by the current RF legislation in force and present Articles of Association.

7.11. Each shareholder holding Company ordinary shares shall be obliged

- to notify Company shareholders' register keeper about change of his information;

- not to disclose confidential information about company business;

7.12. If a Company shareholder intends to purchase on his own or jointly with affiliated person (persons) 30 or more per cent of Company placed ordinary shares, such shareholder shall be obliged at least 90 days and not later than 30 days before the date of purchasing shares notify the Company in writing about intention to purchase above-mentioned shares. After such transaction of purchasing shares this shareholder shall within 30 days after purchasing date offer to the Company shareholders to sell him ordinary shares held by them and issued securities converted to ordinary shares at market value but not less than average weighted value for 6 month prior to purchasing date.

CLAUSE 8. RIGHTS AND OBLIGATIONS PF SHAREHOLDERS HOLDING PREFERRED SHARES

8.1. Each Company preferred share shall vest a shareholder holding it with similar volume of rights.

8.2. Holders of preferred shares shall have a right of annual fixed dividend save cases provided by the present Articles of Association. Total amount to be paid as dividend for each preferred share shall be 10 per cent of the Company net profit

according to results of past fiscal year divided by a number of shares that constitute 25 per cent of the Company authorized capital. If dividend amount payable by the Company against each ordinary share in particular year exceeds amount to be paid as dividend against each preferred share, dividend payable to latter shall be increased up to dividend payable against ordinary shares.

8.3. Holders of preferred shares shall have a right to participate in the General Meeting of Shareholders with voting right on matters of company dissolution and reorganization as well as on matter on amending Company Articles of Association when such amendments restrict rights of above-mentioned shareholders.

8.4. Holders of preferred shares shall have a right to participate in the General Meeting of Shareholders with voting right on all items of the agenda if the General meeting irrespective of reasons failed to take resolution about dividend payment or took resolution about incomplete payment of dividends against preferred shares. Such right shall arise for holders of preferred shares starting from meeting following annual Meeting of Shareholders where resolution to pay dividend failed to be taken and shall terminate after first payment of dividends against above-mentioned shares in full volume.

8.5. Holders of preferred shares shall have rights provided by paragraph 7.2.3, 7.2.4, 7.2.5, 7.2.6, 7.2.7, 7.2.8, 7.2.10, 7.2.11, 7.2.12 of the present Articles of Association for holders of Company ordinary shares. Holders of preferred shares shall be provided with these rights including cases when such shares are not voting shares.

8.6. Holders of preferred shares shall have rights provided by paragraph 7.3, 7.6, 7.7, 7.8, 7.9 of the present Articles of Association when preferred shares have vote on all matters within competence of the Company General Meeting of Shareholders.

8.7. Holders of preferred shares shall have a right to demand redemption of all or part of shares held by the shareholder by the Company subject to procedure and cases provided by the current RF legislation in force.

8.8. Shareholders having at least 1 per cent of votes at the General Meeting of Shareholders shall have a right to request from the Company a list of persons entitled to participate in the Meeting. Information from documents and mailing addresses of shareholders included in such list shall be provided only with their consent.

8.9. Shareholders holding preferred shares shall have other rights provided by the current RF legislation in force and by other RF regulations and by the present Articles of Association.

8.10. Each shareholder holding preferred shares shall be obliged

- to notify Company shareholders' register keeper about change of his information;
- not to disclose confidential information about Company business.

CLAUSE 9.

COMPANY FUNDS.

9.1. The Company shall have Reserve being 5 per cent of the Company authorized capital.

Company Reserve shall be formed by way of compulsory annual deductions in amount of at least 5 per cent of Company net profit till Reserve amount established by the present paragraph is achieved.

The Reserve shall be designated for covering Company losses as well as for redemption of Company shares if other funds are not available.

The Reserve shall not be used for other purposes.

9.2. The Company may by resolution of the General Meeting of Shareholders on item provided by sub-paragraph of paragraph 12.2 of the present Articles of Association decide to form other funds including Fund of selling shares to the Company employees.

Resources of the Fund of selling shares shall be spent exclusively to redeem Company shares sold by Company shareholders for further placement among employees.

If shares purchased at expense of Fund of selling shares to Company employees are sold to company employees for value, proceeds shall be used for such fund formation.

Provision of Fund of selling shares to Company employees approved by the Company Board of Directors shall determine procedure for formation and spending resources of Fund resources.

CLAUSE 10. COMPANY DIVIDENDS.

10.1. The Company shall have a right to take resolution (declare) of paying dividend against shares placed once a year.

Dividends shall be paid from Company net profit specified in the Company profit and loss account under annual results. Preferred dividends may be paid at expense of Company funds specially designated for this purpose.

If the Company is reorganized in form of affiliating other companies to it Company net profit shall be determined by adding net profit and net profit of (loss) of companies affiliated calculated in accordance with normative regulations on accounting in Profit and loss accounts of affiliated companies as of last accounting date (reorganization date).

The general Meeting of Shareholders shall take resolution about annual dividend, its size and payment form on shares of each class (category). Annual dividend shall not exceed that recommended by the Company Board of Directors.

The Company shall for dividend purpose make a list of persons entitled for annual dividend. Such list shall be made subject to register data as of date of making list of persons entitled to participate in the Annual General Meeting of Shareholders.

10.2. Preferred dividend shall be paid within period established by the resolution of the General Meeting of Shareholders about payment of Company annual dividends. Such period shall be determined not more than 60 days after date of annual dividend resolution.

10.3. The Company shall pay ordinary dividends within period established by the resolution of the General Meeting of Shareholders about payment of Company annual dividends. Such period shall be determined before the end of fiscal year when annual dividend resolution was taken.

10.4. Dividend declared by the Company may be paid in money or any other property if the Company General meeting of Shareholders took resolution to pay nonpecuniary dividend.

The Company general Meeting of Shareholders shall take decision about nonpecuniary dividend only on the basis of proposal of the Company Board of Directors which shall mention Company property allotted for dividend.

10.5. The Company shall be governed by restrictions established by federal laws for taking dividend resolution (declaration).

CLAUSE 11. COMPANY SHAREHOLDERS' REGISTER COMPANY REGISTRAR

11.1. The Company shall ensure Company shareholders' register keeping and maintaining subject to requirements established by the current RF legislation and other RF regulations.

11.2. Specialized registrar that keeps shareholders' register as exclusive activity and holds standard license for such activity shall be Company shareholders' register keeper.

Company registrar and terms and conditions of agreement with it as well as termination of agreement with Company Registrar shall be made on the basis of Company Board of Directors' resolution.

11.3. The Company shall not be released from responsibility for keeping and maintaining Company shareholders' register. If registrar by its wrong acts violated civil rights of shareholder or nominal holder, such shareholder or nominal holder shall have a right to apply to court subject to procedure established by the current RF legislation in force with claim against company to recover violated rights including claim for damages.

11.4. The Company registrar shall perform functions of Company Accounting Board. The Company Registrar shall verify powers and register persons participating in the Company General Meeting of Shareholders, shall determine quorum for the general Meeting of Shareholders, shall clarify matters arising out of shareholders' (their proxies) realization of voting right at the general Meeting and shall explain procedure for voting on items put to vote, shall ensure established voting procedure, shall count votes and summarize vote results and shall make minutes on vote results and shall submit to file voting ballots.

CLAUSE 12. COMPANY GENERAL MEETING.

12.1. The General Meeting of Shareholders shall be the Company Supreme Management Body.

12.2. The Competence of the Company general Meeting of Shareholders shall include matters not to be referred to the Board of Directors, Director General or Company Board:

1) Amendment and supplement of the present Articles of Association or approval of the Company Articles of Association in new edition (save cases provided by the Federal law “about Joint Stock Companies”) where resolutions shall be taken by at least three fourth of votes of shareholders holding Company voting shares participating in the Meeting;

2) Company reorganization where resolution shall be taken at least by three fourth of votes of shareholders holding Company voting shares participating in the Meeting;

3) Company dissolution, appointment of liquidation board and approval of interim and final liquidation balance sheet where resolutions shall be taken by at least three fourth of votes of shareholders holding Company voting shares participating in the Meeting;

4) Election of the Board of Directors’ members by cumulative voting;

5) Early termination of Board of Directors’ members powers where resolutions shall be taken by majority of votes of shareholders holding Company voting shares participating in the Meeting;

6) Determining number, nominal value, category (class) of Company declared shares and rights under these shares where decisions shall be taken at least by three fourths of votes of shareholders holding Company voting shares and participating in the meeting;

7) Increase of the Company Authorized capital by way of increasing shares’ nominal value where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

8) Increase of the Company authorized capital by means of placing additional shares by public subscription when a number of additionally placed shares is over 25 per cent of earlier placed company ordinary shares where decisions shall be taken at least by three fourths of votes of shareholders holding Company voting shares and participating in the meeting;

9) Increase of the Company authorized capital by means of placing additional shares by close subscription where decisions shall be taken at least by three fourths of votes of shareholders holding Company voting shares and participating in the meeting;

10) Decrease of the Company authorized capital by decreasing nominal value of shares by means of purchasing a part of shares by the Company in order to reduce total number as well as by means of redeeming of shares purchased or redeemed by the company where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

11) Election of the Company Auditing Committee and early removal from office where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

12) Approval of the Company Auditor where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

13) Approval of annual reports, annual Company accounting including Company profit and loss accounts, profit distribution, including dividend payment (declaration) and Company losses subject to results of fiscal year where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

14) Determining holding procedure of the Company General Meeting of Shareholders where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

15) Splitting and consolidation of shares where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

16) taking resolution of approval of transactions with interest subject to resolution in cases and according to procedure stipulated by Chapter XI of the federal Law “about Joint Stock Companies”;

17) taking resolutions on approval of major transactions related to purchasing, alienation and opportunity of alienation of property by the company with value exceeding 50 per cent of Company balance assets determined under accounting as of last accounting date save transactions to be made in ordinary course of business, transactions related to placement by means of subscription (selling) of Company ordinary shares as well as transactions related to placement of issued securities converted to Company ordinary shares where decisions shall be taken by three fourths of votes of shareholders holding Company voting shares and participating in the meeting;

18) Taking resolution of share in holding companies, financial and industrial groups, associations and other associations of commercial organizations where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

19) Approval of internal documents regulating Company bodies' operation where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

20) Company placement of bonds converted to shares and other issued securities converted to shares if mentioned bonds (other issued securities) to be placed by close subscription or by public subscription when in case of public subscription converted bonds (other issued securities) may be converted to Company ordinary shares constituting over 25 per cent of earlier placed Company ordinary shares where decisions shall be taken at least by three fourths of votes of shareholders holding Company voting shares and participating in the meeting;

21) Taking resolution on indemnification of expenses for preparation and holding extraordinary General Meeting of Shareholders at company expense when the Company Board of directors violating requirements of the RF legislation failed to take resolution to convene extraordinary General Meeting of Shareholders and such meeting was convened by other persons. Resolution shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;

22) release of person that independently or jointly with affiliated persons purchased 30 and more per cent of Company placed ordinary shares from obligation to purchase shares from other Company shareholders where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting, save votes on shares held by mentioned person and his affiliated persons;

- 23) taking resolution to transfer powers of company sole executive body to managing organization or manager where decision shall be taken by majority of votes of shareholders holding Company voting shares and participating in the meeting;
- 24) solving other issues stipulated by federal Law “about Joint Stock Companies” and present Articles of Association.

12.3. General Meeting of shareholders shall have a right to take resolutions on matters provided by sub-paragraph 2, 7, 8, 9, 15 – 19, 23 of paragraph 12.2 of the present Articles of Association exclusively under proposal of the Board of Directors. Other persons having subject to current RF legislation in force power to enter items to agenda of annual or extraordinary General Meeting of shareholders shall not have a right to demand from Board of directors to enter into agenda above-mentioned items.

The General Meeting of Shareholders shall not have a right to consider and take resolutions on items beyond its competence subject to Federal Law “about Joint Stock Companies.

The General Meeting of Shareholders shall not have a right to take resolutions not included in the meeting agenda and to change agenda.

12.4. In case of taking resolution at the General Meeting of Shareholders of matters of amending the present Articles of association resulting in restriction of preferred shareholders of particular category, resolution of such amendment shall be deemed taken if at least three fourths of ordinary shareholders participating in the meeting and three fourth of all Company preferred shareholders of particular category voted for it.

12.5. The Company shall hold annual general Meeting of shareholders on annual basis.

Annual General meeting of shareholders shall be held at least four months and within 6 months after end of fiscal year.

The annual general Meeting of shareholders shall consider items

- election of the Company Board of Directors,
- election of the Company Auditing Committee,
- Approval of Company Auditor,
- approval of annual reports, annual accounting, including profit and loss accounts as well as profit distribution including payment (declaration) of dividends subject to results of fiscal year and may solve other matters referred to competence of the general Meeting of Shareholders.

12.6. Shareholders (shareholder) holding in aggregate at least 2 per cent of Company voting shares shall have a right to enter items in agenda of annual General Meeting of Shareholders and nominate candidates to the Company Board of Directors, Company Auditing Committee with number not exceeding number of respective body established by the present Articles of Association. Such proposals shall be submitted to the company t least 60 days prior to end of fiscal year.

12.7. General meetings of shareholders held except for annual General Meeting of shareholders shall be extraordinary.

Extraordinary General meeting of Shareholders shall be held under resolution of the Company Board of Directors on the basis of its own initiative, request of Company Auditing Committee, Company Auditor as well as shareholders (shareholder) holding in aggregate at least 10 per cent of company voting shares as of date of making request. Extraordinary General Meeting of Shareholders under request of Company Auditing Committee, Company Auditor as well as shareholders (shareholder) holding in aggregate at least 10 per cent of company voting shares shall be convened by the Company Board of Directors.

12.8. Extraordinary General Meeting of Shareholders convened under request of Company auditing Committee, Company Auditor or shareholders (shareholder) holding at least 10 per cent of Company voting shares shall be held within 40 days after submission of request of holding extraordinary general Meeting of shareholders.

12.9. Extraordinary General Meeting of Shareholders convened under request of Company auditing Committee, Company Auditor or shareholders (shareholder) holding at least 10 per cent of Company voting shares with agenda involving election of the Company Board of Directors shall be held within 70 days after submission of request of holding extraordinary general Meeting of shareholders.

If number of members of the Company Board of directors is less than number constituting quorum for holding meeting of the Company Board of Directors extraordinary General Meeting of Shareholders convened under resolution of the Company Board of directors on the basis of its own initiative for resolving issue of electing Company Board of directors shall be held within 70 days after resolution of holding is taken by the Company Board of directors.

12.10. Upon preparation of extraordinary General Meeting of shareholders with agenda involving election of the Company Board of Directors shareholders (shareholder) holding in aggregate at least 2 per cent of Company voting shares shall have a right to nominate a candidate for the Company Board of directors number of which shall not exceed number of the Board of directors set by the present Articles of Association. Such nominations shall be submitted to the Company at least 30 days prior to date of extraordinary general Meeting of Shareholders.

12.11. List of persons entitled to participate in the General Meeting of Shareholders shall be made on the basis of Company shareholders' register.

Date of list of persons entitled to participate in the General meeting of Shareholders shall be set not earlier than date of taking resolution of holding General Meeting of Shareholders within 50 days and at least 45 days prior to date of holding it.

Date of list of persons entitled to participate in extraordinary general Meeting of Shareholders with agenda involving election of the Company Board of Directors shall be set not earlier than date of holding extraordinary general Meeting of Shareholders within 65 days and at least prior to date of notice of extraordinary general meeting of shareholders.

12.12. Notice of General meeting of Shareholders shall be made at least 20 days and notice of General meeting of shareholders with agenda involving Company reorganization shall be made at least 30 days prior to date of holding it.

If offered agenda of the extraordinary General meeting of shareholders involves election of the Company Board of Directors notice of extraordinary general meeting of shareholders shall be made at least 50 days prior to date of holding it.

Notice of general meeting of shareholders shall be forwarded to each person mentioned in the list of persons entitled to participate in the General Meeting of Shareholders by registered letter or served under receipt or published in Rossiyskaya Gazeta printing issue.

12.13. Persons entitled to participate in the general Meeting of Shareholders shall be provided with material as follows subject to procedure and to addresses mentioned in notice of General meeting of Shareholders:

- annual accounting including Auditor's report, report of Company Auditing Committee under results of audit of annual accounting,
- information about candidates for the Company Board of Directors, Company Auditing Committee,
- draft of amendments to the Company Articles of Association or draft of the Company articles of Association in new edition,
- drafts of Company internal documents,
- drafts of other documents to be adopted subject to drafts of General Meeting of shareholders' resolutions,
- drafts of resolutions of the General meeting of Shareholders,
- other materials (information) necessary for submission subject to current legislation in force,
- other information (materials) for taking resolutions on items of agenda of the General meeting of Shareholders included by the Company Board of Directors in list of information (materials) to be submitted to shareholders upon preparation of the General Meeting of Shareholders.

12.14. The General Meeting of Shareholders is qualified (has quorum) if shareholders holding in aggregate at least half of votes of Company placed voting shares.

Shareholders registered for participation, shareholders whose ballots were received at least 2 days prior to date of the general Meeting of Shareholders shall be deemed participating in the General meeting of Shareholders.

Shareholders whose ballots were received prior to ballot deadline shall be deemed participating in the General meeting of Shareholders to be held as absentee vote.

12.15. If agenda of the General meeting of shareholders involves items where voting shall be made by different membership of voters, quorum for resolutions shall be determined separately. Absence of quorum for items subject to vote by one membership of voters shall not prevent from taking resolution on items subject to vote by different membership of voters where quorum is present.

12.16. If quorum for Annual General Meeting of Shareholders is absent, repeated annual General meeting of Shareholders shall be held with the same agenda.

If quorum for extraordinary General Meeting of Shareholders is absent, repeated extraordinary General meeting of Shareholders shall be held with the same agenda. Repeated General Meeting of Shareholders shall be qualified (shall have quorum) if shareholders holding in aggregate at least 30 per cent of company placed voting shares.

Notice of repeated General Meeting of Shareholders and forwarding (service) of voting ballots shall be made at least 20 days prior to date of repeated general Meeting of Shareholders.

Notice of repeated general meeting of Shareholders with agenda involving Company reorganization shall be made at least 30 days prior to date of repeated general Meeting of Shareholders.

If repeated general meeting of shareholders is to be held less than 40 days after failing General Meeting of Shareholders, persons entitled to participate in the General meeting of Shareholders shall be determined in accordance with list of persons entitled to participate in failing General Meeting of Shareholders.

12.17. The person performing functions of the sole executive body shall preside over General meeting of Shareholders unless otherwise is resolved by the Company Board of Directors.

12.18. Other matters related to preparing and holding Annual and extraordinary general meeting of Shareholders including holding procedure shall be determined by the provision of holding General meeting of Shareholders to be approved by the General meeting of Shareholders.

CLAUSE 13. COMPANY BOARD OF DIRECTORS.

13.1. Board of Directors shall be Company's collective body managing its general operation.

13.2. Company's Board of Directors shall be elected annually by annual general meeting of shareholders consisting of 11 persons by cumulative voting.

13.3. General meeting of shareholders shall be entitled to pass resolution concerning early termination of Board of Directors' members capacity. And such resolution may be passed only concerning all members of the Board of Directors at the same time.

In the event of early termination of the Board of Directors capacity a new membership of the Board of Directors shall act till the nearest annual general meeting.

13.4. Company Board of Directors competence shall cover the matters as follows:

- 1) determining Company's priority activities including approval of the annual budget, medium-term and long-term budgets, Company's strategies and development plans, amending the said documents and considering their results;
- 2) preliminary approval of operations beyond Company's set annual budget;
- 3) convening of annual and extraordinary general meetings of shareholders except cases stipulated by clause 8 of art. 55 of the Federal Law "About Joint Stock Companies";

- 4) Adoption of the general meeting of shareholders agenda;
- 5) defining a date for making up a list of persons authorized to participate in the general meeting of shareholders and to other matters within the Board of Directors' competence in accordance with provisions of chapter VII of the Federal Law "About Joint Stock Companies" and related to preparing and holding general meeting of shareholders;
- 6) preliminary approval of the Company's annual report;
- 7) increasing Company's authorized capital by means of placing additional shares within the number of the declared shares set by the present Articles of Association except for the cases stipulated by sub-paragraphs 8,9 of clause 12.2 of the present Articles of Association;
- 8) placement of bonds and other issued securities by the Company if they are not converted to the Company's shares in accordance with terms of the given bonds and other issued securities placement;
- 9) placement of the bonds converted to shares and other issued securities converted to shares by the Company if the said bonds (or other issued securities) are placed by means of public subscription and converted bonds (or other issued securities) may be converted to the Company's ordinary shares forming 25 or less per cent of earlier placed ordinary shares;
- 10) determining price (monetary value) of the property, price of placement and redemption of issued securities in cases stipulated by the Federal Law "About Joint Stock Companies";
- 11) approval of resolutions of securities issue, issue prospectus, reports of Company's issue results, quarterly issuer's reports and reports of Company's shares purchase for the purpose of their paying off;
- 12) purchase of shares, bonds and other securities placed by the Company;
- 13) Approval of the Company's registrar and contract terms as well as passing a resolution of contract termination;
- 14) recommendation concerning dividends, their form and payment period and approval of internal document concerning Company's dividends and shares;
- 15) using Company's reserve and other funds;
- 16) monitoring internal control procedures;
- 17) recommendations concerning Company's Auditing Committee's remuneration and compensation and ratification of contract terms concluded with the auditor including payment of its services;
- 18) approval of Provision of the Company's organization department performing internal control functions and coordination of candidacies for its head as well as consideration of other issues, resolutions on which shall be passed by the Board of Directors in accordance with the given Provision;
- 19) approval of transactions related to Company's purchasing, disposition and opportunity of disposition of property value of which shall be from 0,7 to 25 per cent of balance value of Company's assets determined on the basis of its accounting results as of its last accounting date;
- 20) approval of transactions related to Company's purchasing, disposition and opportunity of disposition of property value of which shall be from 25 to 50 per cent of balance value of Company's assets determined on the basis of its accounting results as of its last accounting date except for transactions made in the course of the Company's general business, transactions related to the placement of its ordinary shares by means

- of subscription (selling) and transactions related to the placement of issued securities converted to its ordinary shares;
- 21) approval of transactions with interest in cases stipulated by chapter XI of the Federal Law “About Joint Stock Companies”;
 - 22) coordination of the Company’s organization chart including main functions of its departments;
 - 23) formation of branches, opening representative offices, their liquidation and approval of Provisions concerning them;
 - 24) preliminary coordination of candidacies for positions of branches and representative offices’ heads and removal of the said departments heads from their offices;
 - 25) approval of branches’ annual budgets, strategies and development plans and amending the said documents, consideration their results;
 - 26) appointment of single executive body (Director General), determining term of his office as well as early termination of his capacity ;
 - 27) election (reelection) of the Company’s Board of Directors chairman and vice-chairman;
 - 28) formation of collective executive body (Board), determining term of its office as well as early termination of Board members’ capacities;
 - 29) coordination of holding by the person performing functions of single executive body and Board members of other offices in management of other organizations;
 - 30) permitting the person holding an office of single executive body to combine jobs or have a paid up job with other organizations;
 - 31) setting up continuing or temporary (to decide specific issues) committees of the Board of Directors and approval of provisions concerning them;
 - 32) appointment and removal of the Company’s corporate secretary from the office and approval of Provision concerning corporate secretary staff;
 - 33) approval of contract terms (additional agreements), concluded with Director General, Board members, heads of branches and representative offices, head of Company’s department in charge of internal control, corporate secretary as well as consideration of issues resolutions on which shall be passed by the Board of Directors in accordance with the said contracts;
 - 34) passing resolutions concerning Company’s membership (joining, termination of membership and changing share of membership) in other organizations by purchasing, selling shares, interests of other organizations as well as making additional contributions to the authorized capitals of these organizations;
 - 35) passing resolutions concerning Company’s membership in non-profit organizations except for the cases stipulated by sub-paragraph 18 of clause 12.2 of the present Articles of Association by joining membership, terminating membership and making additional contributions related to the Company’s membership in non-profit organizations;
 - 36) passing resolutions concerning agenda items of General Meetings of affiliated companies (superior bodies of other organizations), where the Company is its single member;
 - 37) determining order of Company’s interaction with organizations where the Company is a member;
 - 38) approval of internal document concerning Company’s information disclosure;

39) approval of other Company's internal documents except for those stipulated by clause 13.4 of the present Articles of Association regulating issues within the competence of the Company's Board of Directors except for internal documents subject to approval by General Meeting of shareholders and executive bodies on the basis of Articles of Association;

40) other issues stipulated by the Federal Law "About Joint Stock Companies" and the present Articles of Association.

13.5. Issues within competence of the Company's Board of Directors shall not be referred to the Company's collective or single executive body for consideration.

13.6. Resolutions on matters indicated in sub-paragraphs 7, 20 of paragraph 13.4 of the present Articles of Association shall be passed unanimously by all members of the Company's Board of Directors except for the votes of retired members of the Board of Directors.

In the event of failure to reach unanimity of the Company's Board of Directors on matters stipulated by sub-paragraphs 7, 20 of paragraph 13.4 of the present Articles of Association, these matters may be referred to the General Meeting of shareholders for consideration according to the Company's Board of Directors resolution. And resolutions on such matters shall be passed by the majority of votes of shareholders holding voting shares of the Company and participating in the meeting.

13.7. Other matters in addition to those listed in paragraph 13.6 of the present Articles of Association within competence of the Board of Directors according to the Federal Law "About Joint Stock Companies" and the present Articles shall be passed by the majority of votes of members of the Board of Directors participating in the meeting.

13.8. Provision of the Board of Directors approved by the General Meeting of shareholders shall determine the order of convening and holding Board of Directors meetings, amount and method of the Board of Directors members' remuneration and compensation.

13.9. Meetings of the Company's Board of Directors shall be convened by the Board of Directors chairman on his own initiative, under request of the Board of Directors member, Company's Auditing Committee, Company's auditor, its single or collective executive body as well as under request of shareholder(s) holding in aggregate at least 5 per cent of the Company's voting shares.

13.10. quorum for holding the Company's Board of Directors meetings shall constitute more than a half of the elected members of the Board of Directors.

13.11. Board of Directors meetings may be held in the form of joint presence (including using conference communication) or absentee voting.

13.12. written opinion of the Board of Directors member absent at the meeting shall be considered when determining presence of quorum and voting results of the meeting held in the form of joint presence.

13.13. Each member of the Board of Directors shall have one vote when passing resolutions at the meeting of the Board of Directors. Board of Directors chairman shall have a casting vote in the event of votes' equality of the Company's Board of Directors members.

13.14. Company's Board of Directors chairman shall arrange its operation, convene its meetings, chair them, arrange keeping minutes during the meetings and provide for efficient operation of the Board of Directors' committees.

13.15. The Board of Directors shall be entitled to appoint vice-chairman of the Board of Directors. In the event of the Board of Directors chairman' absence the vice-chairman shall perform his functions (including signatory authority) and in the event of absence of the latter one of the Board of Directors members shall perform his functions on the basis of the Board of Directors resolution passed by the majority of votes of members participating in the meeting.

ARTICLE 14. COMPANY'S BOARD

14.1. The Board is collective executive body in charge of fulfillment of resolutions of the Company's General Meeting of shareholders and Board of Directors.

14.2. Board's number and membership shall be determined by the Board of Directors resolutions on proposal of Director General and Board of Directors' members.

14.3. The Board shall be formed for the period determined by the Board of Directors when appointing its members.

Any member (all members) of the Company's Board may be removed from office in advance on the basis of the Board of Directors' resolution.

In the event of early removal of the Board's individual members from the office newly appointed members shall act within the period of the Board's formation.

14.4. Board's competence shall include the matters of the Company's current business management as follows:

- 1) development of proposals on Company's basic activities including drafts of the annual budget, medium-term and long-term budgets, Company's strategies and development plans and proposals concerning amendments to the said documents;
- 2) approval of internal control procedures;
- 3) determination of Company's staff and social policy;
- 4) approval of the internal document regulating general provisions of job motivation as well as consideration and passing resolutions concerning conclusion of collective contracts and agreements;
- 5) preparation of materials and drafts of agreements concerning matters subject to consideration at the General Meeting of shareholders, Board of Directors and submission of materials to the Board of Directors' committees;
- 6) technical-organizational provision of the Company's bodies' business;

7) determination of technical, financial and economical and tariff policy of the Company and its branches;

8) determination of accounting policy, control of business and management accounting methods improvement as well as implementation of International accounting standards of the Company and its branches;

9) determination of Company and its branches' planning, budgeting and controlling methods;

10) determination of Company and its branches security policy;

11) определение порядка наделения филиала имуществом и изъятие закрепленного за филиалом имущества;

12) determination of number and appointment of members of branches' collective executive bodies as well as their early removal from their offices, approval of the Provision of the branch' collective executive body;

13) preliminary coordination of candidacies for deputy heads, chief accountants of branches and representative offices and removal of the said persons from their offices;

14) approval of terms of contracts (additional agreements) concluded with members of branches' collective executive bodies, deputy heads, chief accountants of branches and representative offices as well as consideration of matters where resolutions shall be passed by the Board subject to the said contracts;

15) approval of branches' quarterly budgets and amendments to the said documents;

16) analysis of the results of the Company's organizational departments' operation including separate ones and development of instructions on their operation improvement subject to fulfillment;

17) approval of the internal documents regulating matters within the Board's competence except for the documents approved by the General Meeting of shareholders and Board of Directors.

14.5. Company's Board shall also be entitled to pass resolutions on other matters of the Company's current business management on the instructions of the Board of Directors or upon Director's General proposal.

14.6. Provision of the Board approved by the General Meeting of shareholders shall determine the order of convening and holding Board meetings, amount and method of the Board of members' remuneration and compensation.

14.7. Board members' rights, duties and responsibility shall be determined by the contract concluded with each of them. Director General shall sign this contract on the Company's behalf.

ARTICLE 15. COMPANY'S DIRECTOR GENERAL.

15.1. Director General shall be single executive body managing Company's current operation. Director General shall be appointed by Company's Board of Directors.

15.2. Director General shall pass resolutions on issues beyond competence of Company's General Meeting of shareholders, Board of Directors and Board subject to the Articles of Association.

15.3. Director General shall perform functions of the Company's Board chairman.

15.4. Director General shall act on the Company's behalf without proxy including presenting its interests, making transactions of Company's behalf, confirming staff, giving orders and instructions subject to fulfillment by all Company's employees.

The contract concluded with Director General shall determine his rights, duties, remuneration and responsibility. Company's Board of Directors' chairman shall sign this contract on Company's behalf.

15.5. Company's Board of Directors shall be entitled at any time to pass resolution on early termination of Director's General capacity and cancellation of his contract.

ARTICLE 16.
COMPANY'S CORPORATE SECRETARY.
STAFF OF COMPANY'S CORPORATE SECRETARY.

16.1. Board of Directors may pass a resolution concerning appointment of corporate secretary, a special person in charge of providing for observance of procedural requirements securing execution of shareholders' rights and interests by Company's bodies and officials.

16.2. Company's internal documents as well as contract concluded with corporate secretary shall determine his rights, duties, official term, remuneration and responsibility. Company's Board of Directors' chairman shall sign the contract on behalf of the Company.

16.3. Corporate secretary's staff whose number, membership, structure and obligations shall be determined by internal document approved by the Board of Directors may be formed for the purpose of securing efficient performance of corporate securities' obligations.

ARTICLE 17.
CONTROL OF COMPANY'S FINANCIAL AND BUSINESS OPERATION.

17.1. Auditing Committee, a special organization department in charge of internal control and independent auditor shall control Company's financial and business operation.

17.2. Auditing Committee shall be Company's independent control body elected by general meeting of shareholders for the period till the next annual general meeting of shareholders five in number.

17.2.1. Capacities of individual members or of all membership of Auditing Committee may be terminated head of schedule by resolution of general meeting of shareholders.

In case of early termination of Auditing Committee membership capacities the new membership of the Auditing Committee shall act till the nearest annual general meeting of shareholders.

If the number of Auditing Committee's members gets less than a half of Auditing Committee's members elected Board of Directors shall convene an extraordinary general meeting of shareholders to elect the new membership of the Auditing Committee. The rest Auditing Committee's members shall perform their functions till election of the new membership of the Auditing Committee by extraordinary general meeting of shareholders.

17.2.2. Auditing Committee's competence shall cover:

- Checking validity of data contained in reports and other Company's financial documents;
- detecting facts of violation of order of book-keeping and financial accounting set by Russian Federation legal acts;
- checking conformity with legal acts when calculating and paying taxes;
- detecting facts of violation of Russian Federation legal acts regulating Company's financial and business operation;
- estimating economic expediency of Company's financial and business operations.

17.2.3. Company's Auditing Committee shall audit (revise) its financial and business operation according to the results of its annual activity.

Company's financial and business operation shall be audited (revised) at any time:

- Initiated by the Auditing Committee itself;
- On the basis of Company's general meeting resolution;
- On the basis of Board of Directors' resolution;
- Upon demand of its shareholder (shareholders) holding in aggregate at least 10 per cent of Company's voting shares concerning all issues of general meeting of shareholders competence as of the date of demand made.

17.2.4. Persons holding offices in company's management shall submit documents concerning Company's financial and business operation upon Auditing Committee's demand.

17.2.5. Provision of Auditing Committee approved by the general meeting of shareholders shall determine order of Auditing Committee's operation as well as amount and order of its members' remuneration.

17.3. Special organization department independent from Company's executive bodies and directly subordinate to the Board of Directors shall secure constant internal control and order of all business operations.

An internal document approved by Company's Board of Directors shall determine functions of the said organization department, order of its operation, order of employees' appointment and requirements to them.

17.4. Company shall annually involve professional auditor having no joint proprietary interests with the Company and its shareholders to audit and verify its annual financial accounting.

17.4.1. The auditor shall audit Company's financial and business operation in conformity with Russian Federation legal acts on the basis of contract.

17.4.2. General meeting of shareholders shall confirm appointment of Company's auditor. Company's Board of Directors shall approve terms of contract concluded with the auditor including his remuneration.

17.4.3. Company's operation shall be audited at any time upon demand of shareholders jointly holding at least 10 per cent of the authorized capital. Shareholders initiating auditing shall forward a written demand to the Board of Directors containing reason of their demand, name of shareholders, number and category (class) of their shares and signature of shareholder or his proxy. In case of signing the demand by proxy, the power-of-attorney shall be attached.

ARTICLE 18. COMPANY REORGANIZATION.

18.1. Company may be reorganized on the basis of general meeting of shareholders' resolution. Russian Federation current legislation shall determine other grounds and order of Company's reorganization.

18.2. Company's reorganization may have a form of merger, affiliation, division, separation and transformation to another business organization form in order stipulated by the Federal law "About Joint Stock Companies".

ARTICLE 19. COMPANY'S LIQUIDATION.

19.1. Company may be liquidated on the basis of General meeting of shareholders' resolution or court decision in cases and order stipulated by current legislation.

19.2. Company shall pass a resolution concerning its voluntary liquidation in cases stipulated by Russian Federation current legislation.

19.3. If upon Company's liquidation its property is not sufficient to settle up with its creditors Company's liquidation committee's chairman appointed by the general meeting of shareholders shall apply to Arbitration concerning implementation of simplified bankruptcy procedure of liquidated debtor.