

Перевод с русского языка на английский язык
Translation from Russian language into English language

APPROVED:

By Resolution of General Meeting of Shareholders
(Minutes No.4 dated 15.03.2004)

With changes made under Resolution of the Board of Directors
(Minutes No.4 dated 23.09.2003)

CHARTER

OF OPEN JOINT STOCK COMPANY

CONCERN "KALINA"

Russia
Ekaterinburg
2004

1 GENERAL

1.1. The open joint stock company Concern "KALINA" (before 30 November 1999 named OJSC "Uralskie Samotsvety") was established as the result of reorganization of the State enterprise "Perfume and cosmetics factory "Uralskie Samotsvety" on the basis of the decree of the President of the Russian Federation "On Organizational Measures of Reorganization of State Enterprises, Voluntary Associations of State Enterprises Into Joint Stock Companies" No. 721 dated 01 July 1992, and registered by the Ekaterinburg Department of State Registration, Order No. 247 dated 27 November 1992 (Registration certificate No. 00550-1, series 1-EI).

The company is the full successor of the State enterprise "Perfume and cosmetics factory "Uralskie Samotsvety".

1.2. The Company trade name:

in Russian language:

full - *Открытое акционерное общество Концерн "КАЛИНА"*,
abbreviated - *ОАО Концерн "КАЛИНА"*,

in English language:

full - *Open Joint Stock Company Concern "KALINA"*,
abbreviated - *OJSC Concern "KALINA"*.

1.3. Company location: 80, ul. Komsomolskaya, Ekaterinburg, Russian Federation, 620138.

1.4. Postal address: 80, ul. Komsomolskaya, Ekaterinburg, Russian Federation, 620138.

1.5. The period of company activity is not limited.

2. LEGAL STATUS OF COMPANY

2.1. The company is the legal entity, owns the separate property which is included into the company independent balance. The company may on its own behalf acquire and exercise property and personal non-property rights, bear responsibilities, be claimant and defendant in the court.

The company is the commercial organization, the main purpose of its activity is gaining profit.

2.2. The company performs its activity in compliance with the acting legislation of RF and with the present Charter. Some aspects of the company activity can be governed by internal documents approved by the company managerial bodies in compliance with the present Charter.

Issues not settled by the present Charter or internal documents of the company shall be settled by the acting legislation of the Russian Federation.

2.3. The company has civil rights and bears responsibilities required for performing any kinds of activities not prohibited by the acting legislation of RF.

Major kinds of the company activity include:

- production and sale of perfumery and cosmetics, soap, detergent, household chemicals, consumer goods and goods of production and technical application;
- research, design and other developments aimed at creating new and updating existing technologies of consumer good production;
- rendering services on introduction of research developments and production organization;
- marketing research in compliance with the profile of the company activity;
- leasing of equipment and technologies;
- wholesale and retail trade in the territory of the Russian Federation and beyond the territory of the Russian Federation with the application of various forms of trade;
- trade, purchasing and intermediary function, including through the own trade network;
- production and sale of agricultural products;
- dealer, distributor and broker activities on commercial basis;
- organization of forwarding undertaking, customs warehouses, container stations and terminals, their service on commercial basis;
- provision of paid services to individuals and legal entities, including services on printing documents and literature;
- provision of services on maintaining dwelling stock;
- organization and maintenance of hotels, hostels, public catering enterprises;
- organization and maintenance of recreation centers, tourism centers, clubs, preschool organizations;
- conduction of financial operations;
- advertisement and publishing activity;
- operations with securities;
- provision of transportation and warehousing services;
- export and import operations;
- training of specialists;
- technical service;
- maintenance of software products of other organizations on special orders, design and export of software, information materials, contract supervision and adjustment of imported complexes of domestic and import hardware (computers, electrical medical control devices, periphery devices, etc.) for making automated systems on a turn-key basis, including network structures of various application;
- provision of medical services in the order established by the acting law;
- charitable activity;
- design, production, prepackaging, storage, wholesale and retail trade, purchase, control of quality of drugs, goods of medical application, pharmaceutical and parapharmaceutical products;

- advertisement and submission of information on drugs, goods of medical application to medical and pharmaceutical personnel and to the population.

The company may carry out some other kinds of activities the list of which is defined by federal laws only on the basis of a special permit (license). If the terms of granting a special permit (license) for carrying out some specific kind of activity include the requirement of carrying out such activity as the exclusive one the company, within the period of validity of the special permit (license), shall have no rights to carry out other kinds of activities except for activities provided for by the special permit (license) and related.

- 2.4. The company shall have the right to open and dispose settlement and other accounts with the money lending institutions of the Russian federation and in other countries in compliance with the acting legislation of RF
- 2.5. The company has a round seal which bears its full trade name and company location in the Russian language. The company shall have the right to have stamps and forms with its name, own emblem, trade mark registered in the established order, other means of visual identification.
- 2.6. The company has separate structural subdivisions:

"Omsk detergent plant", abbreviated name "Omsk plant MS", location: block 3, 21, ul. Kombinatetskaya, Omsk, 644099.

- 2.7. The company shall have the right to establish branches and representative offices in the territory of the Russian Federation and beyond the territory of the Russian Federation, to have subsidiaries and dependent companies in the order established by the acting law and present Charter.

3. LIABILITIES FOR OBLIGATIONS OF COMPANY AND ITS SHAREHOLDERS

- 3.1. The company shall be liable for its obligations with all its property.

Shareholders shall not be liable for obligations of the company and shall bear the risk of losses related to the company activity within the value of shares they own except for cases established by the acting law and present Charter.

- 3.2. The company shall not be liable for obligations of its shareholders.
- 3.3. The state and the state bodies shall not be liable for company obligations, the company shall not be liable for obligations of the state and the state bodies.
- 3.4. If insolvency (bankruptcy) of the company is the result of actions (failure to act) of company's shareholders or other persons which have the right to issue instructions compulsory for the company, or which have the right to define the company actions in some other way, the subsidiary liability for company obligations may be imposed on such shareholders or other persons

Insolvency (bankruptcy) of the company is considered to be the result of actions (failure to act) of company's shareholders or other persons which have the right to issue instructions compulsory for the company, or which have the right to define the company actions in some other way only in the case when they exercised the

indicated right and (or) possibility in the purpose of performing the action by the company foreknowing that insolvency (bankruptcy) of the company may take place as the result.

4. COMPANY SHAREHOLDERS

4.1. Individuals and legal entities, including foreign ones, which legally own at least one full or fractional share of the company and which are entered in the company register of shareholders may be company shareholders.

5. SHAREHOLDERS RIGHTS AND OBLIGATIONS

5.1. Shareholders have rights, perform obligations and bear liabilities in the order established by the present Charter and acting legislation of RF.

5.2. Each company shareholder shall have the right, in the order established by the acting legislation of the Russian Federation and present Charter:

- to participate in the General Meeting of Shareholders of the company either in person or through a representative;
- of one vote per each ordinary share he owns except for cases of cumulative voting when the number of shareholder's votes is defined by multiplying the number of shares he owns by the number of persons to be elected on the company Board of Directors;
- to assign company's shares he owns to other shareholders or third parties;
- to receive dividends;
- to receive information about the company activity;
- to acquire additional shares of all categories placed by the company, also bonds and other securities placed by the company;
- to demand redemption of shares in cases established by the law;
- to get part of the company property at the company liquidation or liquidation value of preference shares.

5.3. Each shareholder must:

- pay for shares and other securities of the company in the order, in the amount and in ways specified by the terms of their placement;
- adhere to provisions of the present Charter and observe resolutions of the company bodies of management;
- inform in due time the holder of the company Register about the change in data indicated in the Register;
- not disclose the confidential information about the company activity which became known to him in connection with the execution of his rights;
- refrain from actions which could result in company insolvency (bankruptcy).

The company shareholders may have other obligations specified by the acting law of RF, present Charter and resolutions of the General Meeting of Shareholders.

5.4. In addition to rights indicated in item 5.2 of the present article, shareholder owners of the company ordinary shares shall have other rights stipulated by the acting law of RF and present Charter.

Each ordinary share of the company grants to its holder equal scope of rights.

5.5. In addition to rights indicated in item 5.2 of the present article, shareholder owners of the company preference shares may also have rights stipulated by the acting law of RF.

Each type of preference share of the company grants to its holder equal scope of rights.

5.6. The fractional share grants to its holder rights granted by the share of the corresponding category (type) in the scope corresponding to a part of the full share it is a part of.

6. COMPANY CHARTER CAPITAL

6.1. In order to perform its activity the company has the charter capital which consists of the nominal value of all placed shares of the company and determines the minimum size of property which guarantees the interests of the company creditors.

6.2. The company charter capital amounts to RR682,661,770 (six hundred eighty two million six hundred sixty one thousand and seven hundred seventy).

6.3. The company charter capital may be increased by increasing the nominal value of shares or by placing additional shares of the company.

The resolution on an increase in the company charter capital by increasing the nominal value of shares shall be passed by the General Meeting of Shareholders.

The resolution on an increase in the company charter capital by placing additional shares shall be passed by the company Board of Directors.

Additional shares of the company shall be placed within the limits of the company declared shares specified by the present Charter.

6.4. The company shall have the right, and must in cases specified by the Federal law On joint-stock companies, decrease its charter capital

The resolution on a decrease in the company charter capital shall be passed by the General Meeting of Shareholders. A decrease in the company charter capital can be made by decreasing the nominal value of shares or by decreasing the total number of shares, including by acquisition and redemption of a part of shares.

6.5. The company forms the reserve fund in the amount of 25% of its charter capital. The reserve fund is formed by contributing annually 5% of the company net profit until the established size is achieved.

The company reserve fund is intended to cover company losses, to redeem company bonds and to redeem company shares in case on non-availability of other funds.

7.COMPANY SHARES

7.1. The company charter capital comprises 9,752,311 (nine million seven hundred fifty two thousand three hundred and eleven) ordinary registered shares of RR70 (seventy) par value each existing in the non-documentary form.

7.2. The company share represents a security which proves the rights of obligation of shareholders relative to the company. All shares of the company are registered securities.

7.3. The company shall have the right to place the following categories of shares:

- ordinary shares;
- preference shares.

The number of shares, the nominal value of the company placed shares, the rights of shareholder owners of shares of each category are defined by the present Charter and by resolutions on their placement

7.4. The company ordinary shares are shares which grant to their holders the right to attend the General Meeting of Shareholders and vote on all issues which fall within the competence of the General Meeting of Shareholders, the right to receive dividends and to receive a part of the company profit in case of the company liquidation.

7.5. The company preference shares are shares which do not have the right to vote at the General Meeting of Shareholders except for cases when otherwise stipulated by the Federal law On joint-stock companies.

7.6. Company additional shares shall be paid up within the time period specified in the resolution on their placement but not later than one year from the date of their acquisition (placement). The form of payment for company additional shares shall be specified by the resolution on their placement.

7.7. The form of payment for company shares may include the money, securities, other things, property or other rights which can be evaluated in money.

7.8. The company shall have the right to place shares and issuing securities convertible into shares by public and close subscription in the order stipulated by the acting law of RF.

Placement of shares (issuing securities convertible into shares) of the company by close subscription shall take place only on the resolution of the General Meeting of Shareholders on an increase in the company charter capital by placing additional shares (on placement of company issuing securities convertible into shares) passed by a majority of three quarters of votes of holders of voting shares which attend the General Meeting of Shareholders.

Placement of ordinary shares which comprise more than 25% of ordinary shares placed earlier by public subscription shall take place only on the resolution of the General Meeting of Shareholders passed by a majority of three quarters of votes of holders of voting shares which attend the General Meeting of Shareholders.

8. BONDS AND OTHER ISSUING SECURITIES OF COMPANY

8.1. The company shall have the right to place bonds. The company bond is a security which proves the right of its holder to request within the established time periods payment of its nominal value or the nominal value and established interest (bond redemption).

8.2. The company may redeem bonds in the money form and (or) by producing other property equivalent in compliance with the resolution on their issue.

8.3. The company bonds may be registered and bearer. Holders of registered bonds of each issue shall be registered in special registers running by the company

8.4. The resolution on bond issuance determines the main terms of the issue and redemption of bonds, including:

- the bond nominal value and the size of interests to be paid at redemption;
- the bond category;
- the form of bond redemption (in money or in property);
- the period of bond redemption;
- the possibility of prescheduled redemption of bonds with calculation of their value at prescheduled redemption and with determining minimum time periods after which they can be submitted for redemption;
- the bond type (registered or bearer);
- other terms of bond issue.

8.5. Interests on bonds shall be paid to their holders at least once a year within the established time periods.

8.6. Bonds can be sold by the company and their holders for rubles and for the foreign currency in the order established by the act in law of RF.

8.7. The company shall have the right to place other issuing securities the issuance of which is not prohibited by the acting law of RF

9. DECLARED SHARES OF COMPANY

9.1. The company's declared shares are shares which the company can place in addition to the company's placed shares in the order established by the acting law of RF and present Charter.

9.2. Placement by the company of additional shares of each category shall be made only within the number specified by the present Charter.

9.3. Holders of additional shares placed by the company shall have all the rights granted by shares according to the present Charter. Limitation of rights of holders of additionally placed ordinary shares of the company compared to the rights of holders of the shares placed previously is not allowed.

9.4. The number of additionally placed shares of each category, time periods, way, order, terms and value of their placement as well as the form and order of payment for shareholders and third parties shall be established by the resolution on an increase in the charter capital by placing additional shares.

9.5. After issuance and placement by the company of additional shares of certain categories the number of declared shares indicated in the present article must be decreased by the number of placed shares of these categories.

9.6. The General Meeting of Shareholders shall have the right to pass the resolution on an increase in the number of declared shares with making relevant changes and addenda into provisions of the present Charter.

10.ACQUISITION AND REDEMPTION BY COMPANY OF PLACED SHARES. ASSIGNMENT OF SHARES

10.1. The company shall have the right to acquire the placed shares in the following cases:

- if the General Meeting of Shareholders passes the resolution on a decrease in the company charter capital by acquiring a part of placed shares in order to decrease their total number;
- if shareholders request redemption of shares;
- in other cases and in the order stipulated by the acting law.

Limitations of acquisition by the company of the placed shares are established by the acting law of RF.

10.2. The company shall have the right to acquire the placed shares following the resolution of the company Board of Directors in the order established by the acting law of RF.

The resolution on shares acquisition determines categories of shares to be acquired, the number of shares of each category to be acquired by the company, the price of acquisition, form and period of payment as well as the time period during which shares shall be acquired.

10.3. Shares acquired by the company on the basis of the resolution of the General Meeting of Shareholders on a decrease in the company charter capital in order to decrease their total number shall be redeemed at their acquisition.

Shares acquired by the company on the resolution of the company Board of Directors are on the balance of the company and do not grant the right to vote, they are not taken into account at calculating votes, no dividends are calculated on them. Not later than one year from the date of their acquisition these shares should be sold at their market value to company's shareholders or third parties. Shares not sold within this time period should be redeemed. At that, the General Meeting of Shareholders should pass the resolution on a decrease in the company charter capital by redemption of

these shares or on an increase in the nominal value of remaining shares at the expense of redemption of the acquired shares maintaining the size of the charter capital.

10.4. Each shareholder owner of shares of certain categories (types) the resolution on acquisition of which has been passed shall have the right to sell indicated shares whereas the company must acquire them. In the event when the total number of shares to be sold by the interested shareholders exceeds the number of shares to be acquired by the company shares should be acquired from shareholders in proportion to declared requests.

The company shall inform shareholders about shares acquisition not later than 30 days before the date of commencement of acquisition.

10.5. The company shareholder shall have the right to sold his shares or to dispose them in some other way stipulated by the acting law of RF or in a way not contradicting to the acting law of RF.

11.COMPANY DIVIDENDS

11.1. Dividends are paid from the company net profit for the current year left after settlements with the budget, off-budget funds, also after compulsory deductions for the supplement and formation of company funds and reserves.

11.2. The company shall have the right on the basis of the results of the first quarter, first six months, first nine months of a fiscal year and (or) on the basis of the results of a fiscal year to pass resolutions (to declare) on payment of dividends on the placed shares.

11.3. Dividends shall be paid in money.

11.4. The resolution on payment of dividends on company's shares shall be massed by the General meeting of Shareholders. The size of the dividends cannot exceed the size recommended by the company Board of Directors.

The resolution on payment of annual dividends should include the following information:

- the size of dividends on shares of each category;
- the period of dividend payment.

11.5. The sum of declared but not paid dividends represents the company debt to holders of company shares of relevant categories.

12.REGISTER OF COMPANY SHAREHOLDERS

12.1. The register of company shareholders contains the following information about each shareholder of the company:

- the surname, name and patronymic, passport details and place of residence of a shareholder individual, or the full and abbreviated name, registration No., and location of a shareholder legal entity;
- the number, category and nominal value of company shares owned by a shareholder;
- the date of shares acquisition and the date of making an entry into the Register of shareholders;
- other information stipulated by the acting law of RF.

12.2. The registrar of the company register should be an independent specialized registrar.

At that, the company shall not be relieved from obligations of the register running and safe keeping.

12.3. An entry into the company register of shareholders shall be made on the request of a shareholder within a three-day period from the date of submission to the independent registrar of all necessary documents unless other time period is stipulated by elements of law of RF.

12.4. At the request of a shareholder or nominee the registrar must prove his share rights by providing an extract from the company register.

The extract from the register of shareholders represents a document issued by the registrar. This document confirms entries in the register of shareholders.

The extract from the register of shareholders is not a security, its transfer from one person to another does not mean a transaction and does not entail the transfer of share rights.

The form and content of the extract from the register of shareholders is determined by the acting law of RF.

13.GENERAL MEETING OF SHAREHOLDERS

13.1. The General Meeting of Shareholders is the supreme managerial body of the company The following issues shall fall within the competence of the General Meeting of Shareholders:

- 1) changes and addenda to the company Charter or approval of a revised Charter;
- 2) reorganization of the company;
- 3) liquidation of the company, appointment of the Liquidation Commission and approval of interim and final liquidation balance-sheets;
- 4) establishment of membership of the company Board of Directors, election of members of the company Board of Directors and termination of their office ahead of time;
- 5) establishment of the number, nominal value, category (type) of declared shares and rights to be granted by these shares;
- 6) an increase in the charter capital of the company by increasing the nominal value of shares;

- 7) a decrease in the charter capital of the company by decreasing the nominal value of shares, by acquiring by the company a part of shares in order to decrease their total number, also by redeeming shares acquired or repurchased by the company;
- 8) establishment of a sole executive body of the company, termination of his powers ahead of time, approval of terms of any agreements and resolutions related to recruiting, firing and paying compensation to the company general director;
- 9) election of members of the Auditing Commission of the company and termination of their office ahead of time;
- 10) approval of the company auditor;
- 11) approval of annual reports, annual financial statements, including balance-sheets, profit-and-loss accounts of the company, distribution of profit, including payment (declaration) of dividends on the basis of the results of the first quarter, first six months, first nine months of a fiscal year and on the basis of the results of a fiscal year, and losses of the company on the basis of the results of a fiscal year;
- 12) determination of the procedure of the General Meeting of Shareholders;
- 13) election of members of the Counting Commission of the company and termination of their office ahead of time;
- 14) split and consolidation of company's shares;
- 15) passing resolutions on approval of deals in cases stipulated by article 83 of the Federal law On joint-stock companies;
- 16) passing resolutions on approval of large deals stipulated by article 79 of the Federal law On joint-stock companies;
- 17) acquisition by the company of placed shares in cases stipulated by the acting law of RF;
- 18) passing resolutions on participation in holdings, in financial and industrial groups, associations and in other unions of commercial organizations;
- 19) approval of company internal documents which regulate the activity of the company bodies;
- 20) other issues related to the competence of the General Meeting of Shareholders by the Federal law On joint-stock companies.

Issues within the competence of the General Meeting of Shareholders cannot be passed for the resolution to the company executive body.

Issues within the competence of the General Meeting of Shareholders cannot be passed for resolution to the company Board of Directors except for issues specified by the Federal law On joint-stock companies.

13.2. General Meeting of Shareholders may be annual and extraordinary. General Meetings of Shareholders to be called in addition to Annual Meetings are considered to be Extraordinary Meetings of Shareholders.

14.PASSING RESOLUTIONS BY GENERAL MEETINGS OF SHAREHOLDERS

14.1. The General Meeting of Shareholders shall have the right to discuss and pass resolution on issues if shareholders (their representatives) which in total own more than half of votes of placed voting shares of the company passed registration by the end of registration for participation in the meeting.

14.2. The resolution on issues indicated in subitems 2, 6 and 14 - 19 of item 13.1 of the present Charter should be passed by the General Meeting of Shareholders only by motion of the company Board of Directors.

14.3. The resolution on issues indicated in subitems 1, 2, 3, 5 and 17 of item 13.1 of the Charter should be passed by the General Meeting of Shareholders by a 3/4 majority of shareholder owners of the company voting shares which attend the General Meeting of Shareholders. Resolutions on other issues indicated in item 13.1 of the Charter and on issues the order of passing resolutions on which during the General Meeting of Shareholders is not settled by the Federal law On joint-stock companies and by the present Charter shall be passed by the majority vote of all shareholder owners of the company voting shares which attend the meeting.

14.4. Resolutions of the General Meeting of Shareholders shall be passed during meetings which shareholders attend to discuss items of the agenda and to pass resolutions on issues put to vote, also by voting by correspondence.

Voting during the General Meeting of Shareholders shall take place with the use of ballots executed in the order established by the present Charter.

The resolution of the General Meeting of Shareholders passed by voting by correspondence shall have power if shareholders owning in total at least half of the company voting shares took place in voting.

Resolutions on issues indicated in subitems 1, 4, 9-11 of item 13.1 of the present Charter cannot be passed by the General Meeting of Shareholders in the form of voting by correspondence.

15. PREPARATION FOR CONDUCTING GENERAL MEETING OF SHAREHOLDERS

15.1. The Annual Meeting of Shareholders shall be called not earlier than 2 months and not later than 6 months after the end of the fiscal year of the company.

15.2. While preparing for the General Meeting of Shareholders the company Board of Directors shall fix the following:

- the form of conducting the General Meeting of Shareholders (the meeting or voting by correspondence);
- the date, place and time of the General Meeting of Shareholders, and in the case when according to paragraph 3 article 60 of the Federal law On joint-stock companies the filled in ballot may be sent to the company, the postal address at which the filled in ballots can be sent, or in case of voting by correspondence the final dead for receiving ballots and the postal address at which the filled in ballots can be sent;
- the agenda of the General Meeting of Shareholders;
- the date of making a list of persons which have the right to attend the General Meeting of Shareholders;
- the order of informing shareholders about calling the General Meeting of Shareholders;

- a list of information (materials) to be submitted to shareholders at preparation for the General Meeting of Shareholders and the order of its submission ;
- the form and text of the ballot.

The agenda of the General Meeting of Shareholders must include items on electing the Board of Directors, Auditing Commission, on approval of the company Auditor also issues stipulated by subitem 11 of item 13.1 of the present Charter.

15.3. The agenda of the General Meeting of Shareholders shall be defined by the company Board of Directors from issues suggested by company bodies of management or company shareholders which in total own at least 2 percent of the company ordinary shares.

Motions for the agenda of the General Meeting of Shareholders and motions for nomination of candidates shall be made in writing with the indication of the name of shareholders (shareholder) which made the motion, the number and categories (type) of shares they own, motions should be signed by shareholders (shareholder).

Motions for the agenda of the General Meeting of Shareholders and motions for the Extraordinary Meeting of Shareholders should be made within the time periods stipulated by the Federal law On joint-stock companies.

15.4. The company Board of Directors must consider the received motions and pass the resolution either on their inclusion into the agenda of the General Meeting of Shareholders or on refusal to include them into the agenda not later than five days after the end of the time periods established by the Federal law On joint-stock companies for inclusion of motions on inclusion of items into the agenda of the Annual and Extraordinary Meetings of Shareholders.

15.5. The list of shareholders which have the right to attend the General Meeting of Shareholders shall be made by the company Board of Directors on the basis of data from the company Registrar.

The list of shareholders which have the right to attend the General Meeting of Shareholders shall contain the name of each shareholder, his address (location), information about the number and categories of shares he owns.

15.6. The company shall inform its shareholders about the General Meeting of Shareholders by sending to them a written notice not later than 20 days before the date of the General Meeting of Shareholders except for cases stipulated by the Federal law On joint-stock companies.

The written notice should be sent in the form of a registered letter.

15.7. The notice on calling the General Meeting of Shareholders should include the following information:

- full trade name and location of the company;
- the form of conducting the General Meeting of Shareholders (meeting or voting by correspondence);

- date, place and time of conducting the General Meeting of Shareholders, the place of registration, the postal address at which the filled in ballots could be sent in the case when this is required by the legislation of RF, the date of completion of receiving ballots in the case of the General Meeting of Shareholders by correspondence;
- agenda of the General Meeting of Shareholders;
- order of familiarization with information (materials) to be submitted to shareholders during preparation for the General Meeting of Shareholders and the address (addresses) at which such information is available;
- the time of commencement of the registration procedure;
- the person whom a shareholder could address in the event of infringement by the company of the order of registration.

Included into the additional information compulsory for submission at preparation for the General Meeting of Shareholders to persons which have the right to attend the General Meeting of Shareholders and the agenda of which includes the item on electing members of the Board of Directors (Supervisory Board), members of the Auditing Commission, members of the collegial executive body of the company, on formation of the sole executive body and (or) electing the company inspector is the information either on the availability of the written consent of the proposed candidates to be elected into the relevant body or on the non-availability of such information.

16.CONDUCTING GENERAL MEETING OF SHAREHOLDERS

16.1. Shareholders shall have the right to exercise their right to attend the General Meeting of Shareholders either in person or through their representative.

The shareholder representative at the General Meeting of Shareholders shall act on the basis of the power of attorney. The power of attorney to vote should be certified in compliance with the requirements of items 4 and 5 of article 185 of the Civil Code of RF or notarized. It should include information about a person who issued the power of attorney and about a person to whom it is issued (name, place of residence, passport details).

The shareholder shall have the right at any time to replace his representative at the General Meeting of Shareholders or to attend it in person.

If the company share belongs to several persons on the right of common property, powers to vote at the General Meeting of Shareholders shall be exercised either by any such person at the discretion of owners or by their common representative. Authorities of each of the given persons should be properly executed.

16.2. The vote during the General Meeting of Shareholders shall be made along principle «one voting share of the company - one vote» except for the case of the cumulative voting in cases stipulated by the present Charter and by the federal law On joint-stock companies.

16.3. Voting on all items of the agenda of the General Meeting of Shareholders should be made using the ballots.

The text of the ballot should meet the requirements of article 60 of the federal law On joint-stock companies.

At conducting the General Meeting of Shareholders in the form of voting by correspondence and at conducting the General Meeting of Shareholders with the number of holders of voting shares 1,000 and more the ballot shall be sent or hand-delivered to, and signed at delivery by, each person indicated in the list of persons which have the right to attend the General Meeting of Shareholders not later than 20 days before the General Meeting of Shareholders.

16.4. A minutes should be run during the General Meeting of Shareholders which includes the main provisions of reports, issues put to vote, voting results and resolutions passed, it should also contain other information required by the legislation.

The minutes should be executed in two copies and signed by the chairman of the General Meeting of Shareholders and by the secretary of the General Meeting of Shareholders.

17. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

17.1. The Extraordinary General Meeting of Shareholders may be called on the initiative of the company Board of Directors as well as at request of:

- the company Auditing Commission;
- of the company Auditor;
- a shareholder (shareholders) owning at least 10 per cent of the company voting shares as of the date of the request.

17.2. A shareholder of a company managerial body which initiates calling the Extraordinary Meeting of Shareholders should send to the company Board of Directors a written request containing wordings of resolutions on each of items of the agenda as well as suggestions on the form of calling of the Extraordinary Meeting of Shareholders.

If calling of the Extraordinary Meeting of Shareholders is initiated by shareholders (shareholder) it should contain names (descriptions) of shareholders (shareholders) which requests calling of such meeting and indicate the number, categories (types) of shares they own.

The request on calling the Extraordinary Meeting of Shareholders should be signed by persons (person) which request calling the Extraordinary Meeting of Shareholders.

17.3. The company Board of Directors should pass the resolution either on calling the Extraordinary Meeting of Shareholders or on rejection to call it within five days from the date of making the request.

The resolution on rejection to call the Extraordinary Meeting of Shareholders may be passed in following cases:

- if the established order of submission of the request on calling the Extraordinary Meeting of Shareholders is not observed;
- if a shareholder (shareholders) which requests calling the Extraordinary Meeting of Shareholders is not the owner of 10 percent of company ordinary shares;
- none of the items proposed for inclusion in the agenda of the Extraordinary Meeting of Shareholders corresponds to the requirements of the acting legislation of RF.

The resolution of the Board of Directors on calling the Extraordinary Meeting of Shareholders or the motivated resolution on rejection to call such meeting should be sent to persons which request calling the meeting not later than three days after passing such resolution.

17.4. In cases when in compliance with articles 68-70 of the Federal law On joint-stock companies the company Board of Directors must pass the resolution on calling the Extraordinary Meeting of Shareholders such Meeting should be conducted within 40 days from the date of making the request on calling the Extraordinary Meeting of Shareholders.

If the proposed agenda of the Extraordinary Meeting of Shareholders includes the item on electing members of the company Board of Directors such Extraordinary Meeting of Shareholders should be conducted within 70 days from the date of making the request on calling the Extraordinary Meeting of Shareholders.

18.COMPANY BOARD OF DIRECTORS

18.1. The company Board of Directors carries out the general management of the company performance and passes resolutions on all issues except for issues related to the competence of the General Meeting of Shareholders

18.2. The competence of the company Board of Directors includes the following:

- 1) establishing priority directions of the company activity;
- 2) calling Annual and Extraordinary Meetings of Shareholders, except for cases stipulated by item 8 of article 55 of the Federal law On joint-stock companies 22.5;
- 3) approval of the agenda of the General Meeting of Shareholders;
- 4) fixing the date of making up the list of shareholders that have the right to attend the General Meeting of Shareholders, and other issues related to the competence of the company Board of Directors in compliance with provisions of chapter VII of the Federal law On joint-stock companies and related to preparation for the General Meeting of Shareholders;
- 5) increase in the size of the company charter capital by placing additional shares within the limits of number and categories (types) of declared shares;
- 6) placement by the company of bonds and other issuing securities in cases specified by the Federal law On joint-stock companies;
- 7) fixing the price (monetary evaluation) of assets, price of placement and repurchase of issuing securities in cases stipulated by the Federal law On joint-stock companies;

- 8) acquisition of shares, bonds and other securities placed by the company in cases stipulated by the acting law;
- 9) recommendations on the size of compensation and reward to be paid to the members of the company Auditing Commission and fixing the size of payment for services of the Auditor;
- 10) recommendations on the size of dividends on shares and on the procedure of dividends payment;
- 11) the use of the company reserve fund and other funds;
- 12) approval of the company internal documents except for the internal documents approval of which according to the Federal law On joint-stock companies falls within the sole competence of the General Meeting of Shareholders, also other internal documents approval of which, according to the company Charter, falls within the competence of the company executive bodies;
- 13) establishing branches and representative offices;
- 14) passing resolutions on participation of the company in other organizations, establishment of company subsidiaries;
- 15) approval of large deals in cases stipulated in chapter X of the Federal law On joint-stock companies;
- 16) approval of deals of interest (article 81 of the Federal law On joint-stock companies) in the case when the acting legislation does not include signing such deals within the competence of the General Meeting of Shareholders;
- 17) approval of the annual budget and investment plan of the company;
- 18) approval of any investment in excess of \$1,000,000 (one million) which falls beyond the approved annual investment plan;
- 19) approval of deals of assignment of lease or leasing of fixed assets or production facilities if the residual value of these assets exceeds \$1,000,000 (one million) and (or) these deals fall beyond the approved annual investment plan, or if future payments or future income arising from such lease exceed \$1,000,000 (one million);
- 20) approval of deals of sale (also barter, donation, contribution to the charter capital) of any fixed assets and intangible assets of the company if the size of such deal exceeds \$1,000,000 (one million);
- 21) approval of deals connected with putting in pledge or with other encumbrance in relation to the company assets if the size of the deal exceeds the sum indicated in the annual budget;
- 22) approval of deals of acquisition of shares, bonds, bills of exchange and other securities issued by the third parties except for financial tools used by the company for repayment of its normal financial obligations;
- 23) approval of loan agreements in the case when they exceed the borrowing limits approved by the company annual budget;
- 24) changing the accounting policy and methods of book keeping;
- 25) approval of the company registrar and terms of a contract with him, also termination of the contract;
- 26) determination of the company auditor;
- 27) approval of resolutions on issuing securities of the company, prospectuses, reports on the results of issuance of the company securities to be submitted in compliance with the acting law of the Russian Federation to the Federal Securities Market Commission (to its territorial branch) or to any other state body for the purpose of the state registration of the company security issues and/or reports on the results of issuance of the company securities;

- 28) determination of the form of provision by the company of materials (information) to shareholders, including determination of the publisher in case of notice in the form of publication;
- 29) other issues stipulated by the acting law or present Charter.

Issues related to the sole competence of the Board of Directors cannot be transferred to the General Meeting of Shareholders or to the company executive body for resolution.

19. ELECTION OF MEMBERS OF THE COMPANY BOARD OF DIRECTORS

19.1. Members of the company Board of Directors shall be elected by the General Meeting of Shareholders for a period up to the next Annual Meeting of Shareholders. If the Annual General Meeting was not called within the time period specified by legislation the terms of office of the company Board of Directors cease except for powers to prepare, call and conduct the Annual meeting of Shareholders.

The number of the Board members is 7 people.

19.2. Only shareholders which own in total not less than two percent of the company voting shares can nominate, including self-nomination, candidates on the Board of Directors. Given motions should be made in writing with the indication of the following:

- surname, name and patronymic of candidates;
- number and category of shares owned by a candidate if the latter is shareholder;
- name of a shareholder who nominates candidates and number and category of shares he owns.

The number of candidates to be nominated by a shareholder (shareholders) on the Board of Directors cannot exceed quantitative composition of the company Board of Directors.

Motions made with observation of the order established by the present Charter should be included in the List of candidates for voting on election to the company Board of Directors.

19.3. Members of the company Board of Directors are to be elected by cumulative voting. At cumulative voting the number of votes of each shareholder should be multiplied by the number of persons to be elected in the company Board of Directors. The shareholder shall have the right to give all votes obtained in such a way for a single candidate or distribute them between two or more candidates. Candidates receiving the majority of votes are considered as elected as members of the company Board of Directors.

19.4. The General Meeting of Shareholders may pass the resolution on the prescheduled termination of the term of office of only all members of the company Board of Directors.

19.5. Persons elected on the company Board of Directors may be elected the unlimited number of times.

19.6. Following the resolution of the General Meeting of Shareholders members of the company Board of Directors receive remuneration, they should be also compensated for all expenses connected with their performance of functions of members of the company Board of Directors.

The size of remuneration and compensation shall be determined by the resolution of the General Meeting of Shareholders.

20. CHAIRMAN OF COMPANY BOARD OF DIRECTORS

20.1. The Chairman of the company Board of Directors shall be elected by the members of the Board by a simple majority. The Board of Directors shall have the right to re-elect the Board Chairman at any time. the company General Director cannot be the Chairman of the company Board of Directors.

20.2. The Board Chairman shall organize the work of the Board, call sittings of the Board and preside at these sittings, he shall also organize running the Minutes of sittings, preside at the General Meeting of Shareholders.

In the absence of the Chairman his functions, on the resolution of the Board of Directors, may perform one of the Board members.

21. SITTINGS OF THE COMPANY BOARD OF DIRECTORS

21.1. The company Board of Directors shall pass during sittings resolutions on issues which fall within its competence. The company Board of Directors can pass resolutions on certain items of the agenda by the way of voting by correspondence. While calculating the quorum and the results of voting on the agenda the written opinion of a member of the company Board of Directors who is not present at the sitting may be taken into account.

21.2. Sittings of the company Board of Directors shall be called by the Chairman of the company Board of Directors and are conducted by the Board of Directors when necessary but at least once a month. The date of the next sitting should be fixed by the Board of Directors at the previous sitting.

The sitting of the company Board of Directors may be called on request of the Chairman of the Board of Directors, any member of the company Board of Directors, company Auditing Commission, company Auditor, company General Director.

21.3. Notices with the indication of the date, place and time of the sitting, items included into the agenda of the sitting should be sent to the members of the Board of Directors. Should the agenda of the sitting contain issues which require studying certain documents these documents should be enclosed to the notice.

Notices on calling the sitting of the Board of Directors should be sent to members of the Board of Directors not later than 7 (seven) days before the fixed date of the sitting. The notice should be sent to members of the Board of Directors either by fax at No. indicated by the member of the Board of Directors or by the registered letter at his postal address.

21.4. Quorum for conducting the sitting of the Board of Directors: 4 members of the company Board of Directors.

21.5. At voting each member of the Board of Directors has one vote.

The resolution on an increase in the company charter capital by placing additional shares, on approval of a large deal which subject matter is property valued from 25 to 50 percent of the balance value of the company assets should be passed unanimously by all members of the company Board of Directors, at that retiring members of the Board of Directors are not taken into account.

Resolutions on the remaining issues should be passed by a majority vote of those attending the meeting of the Board of Directors.

The transfer of the right to vote by a member of the company Board of Directors to any other person, including to other member of the Board of Directors is not allowed.

21.6. The Secretary of the Board of Directors should be appointed for calling and conducting the sitting of the Board of Directors.

The Secretary of the Board of Directors is the company employee which performs the organizational work connected with the activity of the Board of Directors, including preparing and sending notices, running the minutes of the sitting of the Board of Directors, preparing materials intended for studying by the members of the Board of Directors, preparing conduction of the General Meeting of Shareholders, registering all documentation received by the Board of Directors, also carrying out other technical work.

The Secretary of the Board of Directors shall be appointed by the Chairman upon agreeing with other members of the Board of Directors. The Secretary of the Board of Directors shall perform his functions on the basis of a contract to be signed with him.

The Secretary of the Board of Directors cannot be the members of the Board of Directors.

21.7. The minutes shall be taken during sittings of the company Board of Directors. the minutes should include the place and time of the sitting, persons attending the sitting, the agenda of the sitting, issues put to vote, the results of the vote and resolutions passed.

The minutes of the sitting of the company Board of Directors should be signed by a person presiding at the sitting and by the secretary. These persons should bear responsibility for the correct keeping of the minutes.

The minutes of the sitting of the company Board of Directors should be made not later than 3 (three) days after the sitting, its copy should be sent to all members of the Board of Directors.

22. COMPANY GENERAL DIRECTORS

22.1. The General Director is the sole executive body of the company.

22.2. The General Director shall be elected by the General Meeting of Shareholders for a period of 3 (three) years.

22.3. The General Director shall act on the basis of a contract to be signed between the General Directors and the company. This contract should be signed by the Chairman of the company Board of Directors on behalf of the company. The contract with the General Directors establishes his rights and obligations, the terms of performing by the General Directors his functions on issues which fall within his competence in compliance with the present Charter, also responsibility of the General Director.

22.4. The General Meeting of Shareholders shall have the right at any time to pass the resolution on prescheduled termination of powers of the General Director.

22.5. The General Directors manages the every-day activity of the company, including:

- 1) day-to-day management of the company running activity;
- 2) acts on behalf of the company without the power of attorney, represents the company in all institutions, enterprises and organizations in the Russian federation and abroad;
- 3) signs on behalf of the company deals and performs other legal actions;
- 4) issues powers of attorney, opens the settlement and other accounts with the banks;
- 5) approves the staff, hires and fires company employees;
- 6) issues orders and instructions compulsory for all company employees;
- 7) prepares information, materials and suggestions on all issues to be considered by the Board of Directors and General Meeting of Shareholders, ensures fulfillment of resolutions passed.

22.6. In the case of temporary absence of the company general Director (incapacity for work, vocation, business trip, etc.) his duty should be performed by a company director on the order by the company General Director.

23. AUDITING COMMISSION AND COMPANY AUDITOR

23.1. The Auditing Commission elected by the General Meeting of Shareholders and comprising 3 (three) people shall exercise the control over the financial and economic activity of the company.

23.2. Falling within the competence of the Auditing Commission is checking the financial and economic activity of the company, also checking running accounting and reporting by the company.

The Auditing Commission shall have the right:

- to request from the company managerial bodies and officials submission of all necessary materials, accounting and other documents as well as personal explanation about the financial and economic activity of the company;
- to direct to the Board of Directors the request to call the Extraordinary Meeting of Shareholders and send its representatives to attend the Meeting;
- to request calling sittings of the Board of Directors send its representatives to attend the sittings.

The Auditing Commission must confirm reliability of data indicated in the company annual report before their approval by the General Meeting of Shareholders or publication.

23.3. Members of the company Board of Directors, persons which hold other offices in the company managerial bodies cannot be elected as members of the Auditing Commission.

Proposals on nomination of candidates to the company Auditing Commission, including self-nomination, should be made by shareholders in writing.

Proposals on nomination of candidates to the company Auditing Commission should be send by shareholders not later than 30 days after the end of the fiscal year.

Proposals made with observation of the order established by the present and item and within the time period established by the present item should be included by the Board of Directors into the agenda of the General Meeting of Shareholders and tabled.

The General Meeting of Shareholders elects members of the Auditing Commission. Shares hold by members of the company Board of Directors or by persons which hold offices in the company managerial bodies cannot take part in voting at electing members of the Auditing Commission.

23.4. Following the resolution of the General Meeting of Shareholders the company shall approve the auditor or an auditing firm which should check the financial and economic activity of the company in the order established by the acting law of RF.

The auditing check of the financial and economic activity of the company should be performed by the auditor or auditing firm on the basis of a contract signed between the company and the auditor (auditing firm).

The company Board of Directors shall fix the size of the auditor (auditing firm) fee.

24. PERSONNEL AND LABOR RELATIONS

24.1. In order to achieve goals of its activity with observation of the labor law the company hires employees (personnel) and fires them.

24.2. The company shall independently establish the order and system of salary of the company employees, including all kinds of salaries, tariffs, remuneration, allowances, premiums securing however the minimum statutory salary.

24.3. The company shall have the right to introduce labor and welfare benefits for its employees in addition to ones established by the acting law.

25. ACCOUNTING AND REPORTING. COMPANY DOCUMENTS

25.1. The company shall keep books and submit financial reports in the order established by the acting law of RF.

The fiscal year of the company starts on 1 January and ends on 31 December.

25.2. Not later than 30 November of each fiscal year the company General Director should submit for approval by the Board of Directors the proposed business plan concerning activities of the company, its subsidiaries, branches and other separate subdivisions of the company for the next fiscal year with forecast for the next four years. This business plan should include planned balance sheets, profit and loss accounts, cash flows, budget plans of capital expenditure and spending of the working capital, profit, production level, forecast of the market development, plans of manning, forecast of the required level of funds.

25.3. Not later than on 30 April of each fiscal year the company General Director should submit to the Board of Directors the annual report concerning the fiscal year ended on 31 December in the previous year. The form and content of the report should be determined by the company Board of Directors. It should include balance sheets, profit and loss accounts, distribution of profit and loss, cash flows of the company, its subsidiaries, branches and other separate subdivisions of the company, other information stipulated by the law. The annual report should be preliminarily checked by the auditor and signed by the company General Director and chief accountant. The company may produce other kinds of reports the form and content of which to be defined by the company Board of Directors.

25.4. Not later than on 30 April of each fiscal year the company General Director should submit to the Board of Directors the annual managerial report concerning the fiscal year ended on 31 December in the previous year. This report should be signed by the General Director. It should include the opinion of the Auditing Commission on reliability of the annual financial report indicated in item 25.4 above as well the opinion on the efficiency of the internal control in the company, in its subsidiaries, branches and other separate subdivisions as of the latest date under report.

25.5. Within five weeks after the end of each calendar month the General Director should submit to the Board of Directors the monthly report on activities of the company, its subsidiaries, branches and other separate subdivisions concerning the given month. This document should include the balance sheet, profit and loss account and cash flow for the given month. The Board of Directors should consider the given report during its next sitting.

25.6. The company shall store its organizational and financial documents in compliance with the acting law of RF.

25.7. At the company reorganization all documents (managerial, financial, economic, personnel, etc.) should be transferred to its successor in compliance with the established rules.

25.8. At company liquidation documents of continuous storage of scientific and historical value should be passed to the archive bodies for the state storage; documents on the personnel (orders, personal records, record cards, personal accounts, etc.) should be passed to the archive bodies for the storage.

The transfer and ordering of documents should be effected by the force and at the expense of the Company in compliance with the requirements of the archive bodies.

26. DISCONTINUATION OF COMPANY ACTIVITY

26.1. The company discontinues its activity by reorganization (in the form of takeover or merger) or liquidation.

26.2. The company shall discontinue its activity:

- following the resolution of the General Meeting of Shareholders;
- on the basis of the ruling of the arbitration court at company insolvency or in cases of regular or serious breach of the acting law of RF, also on other grounds stipulated by the acting law of RF.

27. COMPANY REORGANIZATION

27.1. Reorganization of the company may take place by way of merger, takeover, splitting up, segregation or transformation in the order stipulated by the acting law of RF. The General Meeting of Shareholders shall pass the resolution on company reorganization.

27.2. At company reorganization necessary changes should be made to the Charter and to the state register.

28. LIQUIDATION OF COMPANY

28.1. Discontinuation of the company activity by way of liquidation may take place:

- on the basis of the resolution of the General Meeting of Shareholders (voluntary liquidation);
- on the basis of the court ruling in cases stipulated by the acting law (forced liquidation).

28.2. In case of passing the resolution on voluntary liquidation the General Meeting of Shareholders should inform the state registration bodies thereabout.

In case of forced liquidation the liquidation commission should be appointed by the court.

From the date of appointment of the liquidation commission it receives all powers concerning management of the company activity, including appearance before the court on behalf of the company.

28.3. After settlement with creditors the liquidation commission shall produce the final liquidation balance to be approved by the General Meeting of Shareholders.

29. DISTRIBUTION OF COMPANY ASSETS BETWEEN SHAREHOLDERS. LIQUIDATION FINALIZATION

29.1. After settlement with creditors the liquidation commission should distribute the remaining assets between shareholders in the following order:

- first turn: payments on shares which must be redeemed on request of company's shareholders in the order established by the acting law of RF;
- second turn: payments of calculated but not paid dividends on preference shares and their liquidation value;
- third turn: distribution of company's assets between shareholder owners of ordinary and preference shares.

Distribution of assets of each turn should be made after complete distribution of assets of the previous turn.

29.2. Liquidation of the company shall be considered as completed and the company shall be considered as discontinued its activity from the date of making an entry thereabout into the state register.

30. ADDENDA AND CHANGES

30.1. Addenda and changes to the present Charter should be made by the General Meeting of Shareholders except for cases stipulated by article 12 of the Federal law On joint-stock companies with the subsequent state registration in the established order.

Stamp:

Inspectorate of Tax Ministry of Russia, Oktyabrsky district, Ekaterinburg - 66125
Document registered in Unified State Register of Legal Entities under reg. No.
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Head of Inspectorate of Tax Ministry of Russia, Oktyabrsky district, Ekaterinburg
Officer of tax service of RF, rank II _____ S.G. Loginov
Nesterova L.I.

Round seal:

Tax Ministry of Russia. Department of Tax Ministry of Russia
Inspectorate of Tax Ministry of Russia, Oktyabrsky district, Ekaterinburg
INN 666202371

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Inspectorate of Tax Ministry of Russia, Oktyabrsky district, Ekaterinburg - 66125

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Translated by Barannikova Tatiana Grigorievna
Перевод выполнен переводчиком Баранниковой Татьяной Григорьевной