

APPROVED
By Decree of
Federal Agency for
Federal Property
Management
ref. No. 437-r dated 04.10.2004

ARTICLES OF ASSOCIATION

of

Zarubezhneft Joint Stock Company
(Zarubezhneft JSC)

Moscow
2004

GENERAL PROVISIONS

- 1.1. Zarubezhneft Joint Stock Company (hereinafter referred to as “Company”) is established by reorganization and is the successor to the state enterprise “Russian Foreign Economic Association “Zarubezhneft” on the basis of the Decree of the President of the Russian Federation. ref. No. 137 dated 03.02.2004, Resolution of the Government of the Russian Federation ref. No. 316-r dated 04.03.2004 and Decree of the Federal Agency for Federal Property Management ref. No. 437-r dated 04.10.2004.
- 1.2. The Russian Federation represented by the Federal Agency for Federal Property Management is the Founder of the Company.

2. NAME AND REGISTERED ADDRESS OF THE COMPANY

- 2.1. The full firm name of the Company in Russian is “Zarubezhneft” Joint Stock Company.
- 2.2. The short firm name of the Company in Russian is “Zarubezhneft” JSC.
- 2.3. The full name of the Company in English is Zarubezhneft Joint Stock Company.
- 2.4. The Company’s registered address is at: bld. 1, 9/1/1, Armiansky per., Moscow
- 2.5. Postal address and documents custody is at: bld. 1, 9/1/1, Armiansky per., Moscow 101990

3. LEGAL POSITION OF THE COMPANY. RIGHTS AND OBLIGATIONS OF THE COMPANY

- 3.1. The Company is a legal person. The Company owns solitary assets, accounted for in its independent balance, sui juris can acquire and exercise property and personal non-property rights, take responsibility in, be complainant or defendant in court, arbitration and intermediate courts.

The Company acquires the right of a legal person from the moment of its state registration.

In its activities, the Company is governed by the legislation of the Russian Federation and these Articles of Association.
- 3.2. The Company has a round Seal of Office that indicates its full firm name in Russian and its registered address, stamps and letterheads with its name, brand name, registered under the established procedure, its own logo and other means of visual identification.
- 3.3. The Company is entitled to participate independently or jointly with other legal persons and individuals in other commercial and non-commercial organizations on and outside the territory of the Russian Federation in accordance with the existing legislation of the Russian Federation and the legislation of the respective foreign country.
- 3.4. The Company is entitled under the established procedure to open bank accounts on and outside the territory of the Russian Federation.
- 3.5. The Company shall implement measures for civil defense and mobilization preparation in accordance with the legislation of the Russian Federation.
- 3.6. The Company shall implement works, connected with the use of information, constituting the state secret.

4. OBJECTIVES AND SUBJECT OF THE COMPANY’S ACTIVITIES

- 4.1. The main objectives of the Company’s activities are organization of the effective work in the Russian Federation and abroad in order to satisfy social needs in the Company’s activities results and to receive profits, taking into account securing the state interests of the Russian Federation.
- 4.2. The priority fields of the Company’s activities are:
 - Exploration, development and operation of oil and gas fields abroad;

- Design, construction and operation of oil processing entities, tank farms and pipeline systems;
- Application of the advanced Russian technologies for oil field development;
- Development of modern methods for oil recovery enhancement in order to expand exports of hi-tech services;
- Export-import operations in reference to the technological equipment.

4.3. The Company's activities are:

- Participation in joint ventures on the territory of the Russian Federation and abroad;
- By the instruction of the Government of the Russian Federation exercising functions of the general supplier and general contractor in aspects, connected with the economic activities of the Russian – Vietnamese joint venture “Vietsovetpetro”, in which the Company operates the interest of the Russian Party in accordance with the entrusted authorities;
- Exercising functions of an authorized organization, engaged in rendering assistance in securing the interests of the Russian Federation in the preparation and implementation of production sharing agreements regarding subsurface blocks and hydrocarbon raw material fields;
- Prospecting and exploration of oil, gas and gas condensate fields, including site surveys and geophysical surveys (space and aerial mapping, gravimetrical prospecting, seismic and geochemical surveys, etc.), all kinds of prospect and exploration drilling;
- Drilling, testing, operation, repairs and abandonment of parametric, exploration, structural, observation, production and injection wells;
- Facilitation of oil, gas and gas condensate fields, including construction of field pipelines, facilities for collection, separation, preparation, measuring and transportation of oil, gas, condensate and associated water, for water, gas and other working agent injection, as well as construction of auxiliary production objects, personnel facilities, housing and other non-production facilities (canteens, shops, medical and educational institutions);
- Production, preparation, transportation, storage and marketing of oil, gas, condensate and other mineral resources;
- Extraction of subsurface waters, preparation and water injection from the surface and subsurface springs;
- Construction of off-shore facilities (platforms and substructures) for drilling wells, oil, gas and condensate production, water injection and sea shipping of the products;
- Design, construction and operation of transportation systems and pipeline transportation systems, including subsea pipelines, port facilities (oil loading terminals), pumping stations, storage facilities, measuring units;
- Construction, reconstruction and operation of oil processing establishments;
- Crude oil refining, gas and gas condensate processing and sales of refined products;
- Foreign economic activities, including export (import) of hydrocarbons and hydrocarbon processing products, including the state (federal) share of hydrocarbons, produced at the fields, developed under production sharing agreements, as well as export (import) of products of production and civil purposes, technologies, design and survey works and services;
- Research and development works and experiments aimed at improving existing and creating new methods and technical means for prospecting, exploration, development and operation of oil, gas and gas condensate fields;
- Development of design estimates for exploration works, facilitation and development of fields, construction, reconstruction, technical re-equipment, capital

- repairs of establishments of production and non-production purposes, performing project expertise, prepared by the contractors;
- Production, assembling, engineering set-up and operation of equipment for prospecting, production, preparation, transportation, storage, processing and marketing of hydrocarbons, as well as auxiliary equipment and equipment of civil purpose;
 - Transportation activity, including construction, repairs and maintenance of automobile and rail roads, access roads, transshipping bases, ports, acquisition and operation of land and sea means of transport, transportation of cargo (including oversized and dangerous) and passengers;
 - Procurement for the implemented works, including receipt, handling, storage, distribution and usage of lubricants, explosives, chemical agents, as well as other types of materials and equipment;
 - Services on providing safety of works and fulfilling the requirements of subsurface and environment preservation, including development of instructions, production, acquisition, installation and operation of the respective technical means;
 - Exercising functions of a customer – developer for constructions and commissioning of wells and other objects of production and non-production purposes;
 - Repairs and production of instruments and accessories for the production needs;
 - Check-up, calibration and repairs of measuring devices for physical-chemical, technological parameters and electrical quantities, metrological provision of production;
 - Geodetic survey and mapping;
 - Assembling, operation and repairs of electrical equipment, gas industry equipment and hoisting gear;
 - Expertise of safety at and of industrial establishments (entities), equipment and works in the oil and gas sectors;
 - Operation, repairs and maintenance of motor and machinery, floating facilities;
 - Organization of training and preparation for personnel with necessary clearance, certificates, licenses and other permissive documents of the authorized bodies;
 - Selection and assigning Russian specialists for work abroad;
 - Environmental monitoring;
 - Emergency, saving and recover works;
 - Providing communication, including construction, lease and operation of telephone, telegraph, mobile and space communication, providing communication services to legal and natural persons;
 - Production of, transmitting, marketing, buying and exchanging electrical power;
 - Production and processing of construction materials (sand, gravel, chalk, etc.), timber, production of concrete, bricks, timbering and construction installations on their basis;
 - Providing consulting, marketing, informational, engineering and other services;
 - Commercial and intermediate activities and leasing activities;
 - Advertising activities, organization including, holding and participating work of exhibitions, workshops, symposia and other events on the territory of the Russian Federation and abroad, publishing printed, video and audio output, TV and radio broadcasting;
 - Transactions with securities;
 - Providing financial services and performing investment activities, development and implementation of investment projects;
 - Providing stevedoring and forwarding services;

- Charitable activities.
- 4.4. Certain types of activities, the list of which is determined by federal laws, can be performed by the Company only under the special permission (license). If the license terms for a certain type of activities provide the requirement of performing such type of activities as exclusive, the Company is not allowed to perform other types of activities during the validity term of the license, except for those provided by the license and accompanying them.
- 4.5. The Company is entitled to perform other types of activities, not prohibited by the law of the Russian Federation.

5. RESPONSIBILITY OF THE COMPANY

- 5.1. The Company is responsible under its liabilities with all the assets, owned by the Company.
- 5.2. The Company is not accountable for its shareholders' liabilities. Shareholders are not accountable for the Company's liabilities and bear the risk of loss, connected with the activities of the Company, within the value of the shares, held by them.
- 5.3. The State and its authorities do not bear responsibility under the liabilities of the Company as well as the Company does not bear responsibility under the liabilities of the state and its authorities.
- 5.4. If the insolvency (bankruptcy) of the Company resulted from the acts (failure to act) by its shareholders or other persons, who are entitled to give orders, binding for the Company, or in another way can determine its acts, then in case of shortage of the Company's assets the specified shareholders or other persons shall become jointly responsible under its liabilities.

6. BRANCHES AND REPRESENTATION OFFICES OF THE COMPANY. SUBSIDIARY AND SUBJECT COMPANIES.

- 6.1. The Company can establish branches and open representation offices on the territory of the Russian Federation and abroad under the established procedure.
The establishment of branches and opening of representation offices outside the territory of the Russian Federation is performed by the Company also in compliance with the legislation of a foreign country where branches or representation offices are located, unless otherwise is provided in an international treaty, signed by the Russian Federation.
- 6.2. Branches and representation offices of the Company implement their activities on behalf of the Company.
The Company bears responsibility for the activities of its branches and representation offices.
- 6.3. Branches and representation offices act on the basis of provisions, approved by the Board of Directors of the Company. Branch manager and head of the representation office are appointed by the General Director of the Company and act on the basis of the power of attorney, issued by the Company.
- 6.4. Branches and representation offices are not legal persons, act on the basis of the approved regulations. The Company provides its branches and representation offices with assets, which are accounted for as in their separate balance sheets, as in the balance of the Company.
- 6.5. The Company has the following representation offices and a branch:
 - a) The Company's branch:
Zarubezhneft JSC branch in Vung Tau City, Socialist Republic of Vietnam.
Postal address: 3 Le Quy Don St., Vung Tau City, Socialist Republic of Vietnam.
 - b) The Company's representation offices:

- Zarubezhneft JSC representation office in Vung Tau City, Socialist Republic of Vietnam. Postal address: 3 Le Quy Don St., Vung Tau City, Socialist Republic of Vietnam.
 - Zarubezhneft JSC representation office in Hanoi, Socialist Republic of Vietnam. Postal address: Room 302, DAEHA Business Center, Hanoi DAEWOO Hotel, 360 Kim Ma St., Ba Dinh Dist., Hanoi;
 - Zarubezhneft JSC representation office in Teheran, Islamic Republic of Iran. Postal address: 418 Paminar St., Teheran 11.
 - Zarubezhneft JSC representation office in Baghdad, Republic of Iraq. Postal address: 20, St. 8, Sector 906, Hay-Al-Wahda, Baghdad, Republic of Iraq.
 - Zarubezhneft JSC representation office in New Delhi, Republic of India. Postal address: EP-15, Chanacapuri, New Delhi, Republic of India.
 - Zarubezhneft JSC representation office in Amman, Hashemite Kingdom of Jordan. Postal address: P.O. Box 9281, Al-Bainya St., Jabal Al-Weibdeh, Amman, Hashemite Kingdom of Jordan.
- 6.6. The Company can have subsidiary and subject companies, having rights of a legal person on the territory of the Russian Federation, established in accordance with the legislation of the Russian Federation, and outside the territory of the Russian Federation – in accordance with the legislation of a foreign country where the subsidiary or the subject company in question is located, unless otherwise is provided by an international treaty, signed by the Russian Federation.
- 6.7. Subsidiary and subject companies are not accountable for the Company's debts. The Company bears joint or subsidiary responsibility under the liabilities of a subsidiary (subject) company only in cases, provided by the legislation of the Russian Federation.

7. AUTHORIZED CAPITAL

- 7.1. The authorized capital of the Company is 2887750000 (Two Billion Eight Hundred Eighty Seven Million Seven Hundred Fifty Thousand) Rubles. The authorized capital is divided into 2887750 non-documentary ordinary registered shares par value of 1000 (One Thousand) Rubles each.
- The authorized capital of the Company is made up by par value of the Company's ordinary shares, acquired by shareholders (allotted shares) and determines the minimum amount of the Company's assets, securing the interests of its creditors.
- 7.2. The amount of the authorized capital can be increased by increasing par value of the allotted shares or by allotting supplement shares.
- 7.3. The increase in the amount of the authorized capital of the Company by increasing par value of shares is implemented only at the account of the Company's assets.
- 7.4. The Company has the right to, and in cases, provided by the legislation of the Russian Federation, must reduce its authorized capital.
- 7.5. The amount of the authorized capital of the Company can be reduced by reducing par value of shares or reducing its total number, including by taking up and redeeming part of the shares in cases, provided by the legislation of the Russian Federation.
- Within 30 days from the date of the decision on reducing its authorized capital the Company shall notify in writing the Company's creditors of reducing the authorized capital and its new amount and publish a statement about the passed decision in a printed edition, publishing information on the state registration of legal persons.
- 7.6. The general meeting of shareholders shall take decision on reducing the authorized capital by canceling the shares:
- Bought by the Company and not distributed within one year from the moment of purchase;

- Redeemed by the Company and not distributed within one year from the moment of purchase.
- 7.7. The Company shall declare about reducing the authorized capital, if as of the end of the second and each following financial year in accordance with the annual balance sheet, presented for approval of the Company's shareholders, or the auditing results, the value of net assets of the Company is less than its authorized capital.
- 7.8. The Company does not have the right to reduce its authorized capital, if as a result of such reduction its size becomes less than the minimum amount of the authorized capital, determined by the legislation of the Russian Federation as of the date of presenting the documents for the state registration of the respective changes, introduced into these Articles, and in cases if the Company has to reduce its authorized capital – as of the date of the state registration of the Company.

8. SHARES OF THE COMPANY. RIGHTS OF THE SHAREHOLDERS.

- 8.1. All Company's shares are ordinary, registered. The shares of the Company are issued in a non-documentary form of an entry into the Shareholders' registrar of the Company.
- 8.2. Shareholders of the Company are holders of ordinary shares of the Company have the right:
- To present at the general meeting of shareholders of the Company with the voting right in reference to the issues of its competence;
 - To receive dividends;
 - To receive part of the Company's assets in case of its liquidation;
 - To receive information on the Company's activities under the procedure, established by the legislation of the Russian Federation.

Shareholders may have other rights, provided by these Articles and the legislation of the Russian Federation.

The shares, which the Company is entitled to distribute additionally to the already distributed shares (stated shares), confer the rights equivalent to the rights, conferred by the distributed ordinary registered shares of the Company.

- 8.3. Each ordinary share of the Company gives the shareholder who holds it the same measure of rights.

The share, belonging to a founder of the Company, gives him voting right until it is fully paid off.

- 8.4. If supplement shares are paid off by non-monetary instruments the pecuniary valuation of the assets, deposited to pay off the shares, is performed by the Board of Directors of the Company based on their market value, which is determined in accordance with the legislation of the Russian Federation on the valuating activities.
- 8.5. The shares, holding rights for which was transferred to the Company, do not give voting rights, are not counted during the poll and do not yield dividends. Such shares shall be distributed by the Company no later than one year after they were bought by the Company, otherwise the general meeting of shareholders shall pass the decision on reducing the authorized capital of the Company by redeeming the stated shares.

9. BONDS AND OTHER EMISSION SECURITIES OF THE COMPANY

- 9.1. The Company can allot bonds and other emission securities, provided by the legislation of the Russian Federation on securities.

The Company is entitled to allot its bonds only after the authorized capital it fully paid off.

- 9.2. Par value of a bond, its type (registered, to bearer), form of issue (documentary, non-documentary), terms of cancellation (lump-sum or cancellation by lots in specific terms), form of cancellation (monetary or other assets), type of security (indicating specific assets),

possibility of conversion, possibility of preliminary cancellation and other terms and conditions are determined by the decision on the emission of bonds.

Par value of all binds, issued by the Company, shall not exceed the amount of the authorized capital of the Company or the amount of security, provided by the third parties to the Company for the purpose of the bond emission.

9.3. The bonds can be registered as well as to bearer. During the emission of the registered bonds the Company shall keep the registrar of their holders. A lost registered bond is renewed on the payable basis, the amount of which is determined by the General Director of the Company. Rights of the holder of the lost bond are renewable on the judicial basis.

10. ALIENATION OF SHARES BY THE SHAREHOLDERS

10.1. Share alienation transactions are performed in accordance with the legislation of the Russian Federation. The title is transferred to the beneficiary:

- in case of considering the title for shares of a person, performing depository activities, – from the moment of the receipt entry under the account of the beneficiary's stock deposit;
- in case of considering the title for shares within the registrar system – from the moment of the receipt entry under the beneficiary's personal account.

10.2. Company's shareholder is entitled to alienate the Company's shares, held by him, without the prior consent of the other shareholders.

11. THE COMPANY'S DIVIDENDS. FUNDS AND NET ASSETS OF THE COMPANY.

11.1. According to the results of the first quarter, six months, nine months of a financial year and (or) according to the results of a financial year the Company is entitled to take decisions (declare) on the payment of dividends under the allotted shares, unless otherwise is provided by the legislation of the Russian Federation. The decision on the payment (declaration) of dividends based on the results of the first quarter, six months, nine months of a financial year, can be taken within three months from the end of the respective financial period.

11.2. The dividends are paid in a monetary form.

11.3. The decision on the payment (declaration) on dividends, including the decision on the amount of the dividend and the form of payment, is taken by the general meeting of the Company's shareholders under the recommendation of the Company's Board of Directors. The amount of dividend cannot exceed the amount, recommended by the Company's Board of Directors.

11.4. The term of dividend payment shall not exceed 60 days from the date of passing the decision on the payment of dividends.

11.5. The Company is not entitled to decide on the payment (declaration) of dividends under the shares:

- Before the authorized capital of the Company is fully paid up;
- Before the redemption of all shares, that must be redeemed in accordance with Article 76 of the Federal Law "On Joint Stock Companies";
- If as of the date of such decision the Company shows signs of insolvency (bankruptcy) in accordance with the legislation of the Russian Federation on insolvency (bankruptcy) or if the Company shows such mentioned signs as a result of the payment of dividends;
- If as of the date of such decision the cost of the Company's net assets is less than the amount of its authorized capital and reserve a result of passing such decision;
- In other cases, provided by the legislation of the Russian Federation.

11.6. The Company does not have the right to pay the declared dividends under the shares:

- If as of the date of payment the Company shows signs of insolvency (bankruptcy) in accordance with the legislation of the Russian Federation on insolvency (bankruptcy) or if the Company shows such mentioned signs as a result of the payment of dividends;
- If as of the date of such payment the cost of the Company's net assets is less than the amount of its authorized capital and the reserve or becomes less as a result of the payment of dividends;
- In other cases, provided by the legislation of the Russian Federation.

If the circumstances, described herein, cease to exist, the Company shall pay the declared dividends to its shareholders.

11.7. The Company establishes a reserve fund in the amount of 50 (fifty) per cent of the Company's authorized capital.

The reserve fund of the Company is formed by requisite annual payments in the amount of 10 (ten) per cent of net profits until the established amount is reached.

The reserve fund of the Company is meant for covering the Company's losses as well as redeeming bonds and shares of the Company in case of insufficiency of other funds. The reserve fund shall not be used for other purposes.

11.8. In accordance with the procedures, provided by the legislation of the Russian Federation the Company is entitled to establish other funds, necessary for its activities.

11.9. The cost of the Company's net assets is assessed under the accounting report in the procedures, established by the Ministry of Finance of the Russian Federation and the Federal Body of the Executive authority for the Securities Market.

11.10. If after the end of the second and each following financial year in accordance with the annual accounting balance sheet, submitted for the approval of the Company's shareholders, or the auditing results the cost of the net assets of the Company is less than its authorized capital, the Company shall declare the reduce in the authorized capital down to the amount, not exceeding the cost of its net assets.

11.11. If after the end of the second and each following financial year in accordance with the annual accounting balance sheet, submitted for the approval of the Company's shareholders, or the auditing results the cost of the net assets of the Company is less than the minimum amount of the authorized capital, determined by the legislation of the Russian Federation, the Company shall pass the decision on its liquidation.

12. REGISTRAR OF THE COMPANY'S SHAREHOLDERS

12.1. In accordance with the requirements of the legislation of the Russian Federation, the Company provides maintaining and keeping the registrar of the Company's shareholders.

The registrar of the Company's shareholders includes data about each registered person (member or a nominal share holder), number and categories (types) of shares, registered for each registered person, other information, prescribed by the legislation of the Russian Federation.

12.2. The Company, which assigned maintaining and keeping the registrar of the Company's shareholders to a registrator, is not released from the liability for its maintenance and keeping.

12.3. A person, not registered in the registrar of the Company's shareholders, shall in timely manner notify the holder of the registrar of the Company's shareholders (registrator) of any change in his data, prescribed by the legislation of the Russian Federation. In case of failure to produce information about the change in his personal data (in particular, the address or place of residence and other information) the Company and the registrator do not bear responsibility for any loss, incurred in this connection.

12.4. Opening of a personal account for any shareholder is performed together with making a respective entry into the registrar.

Making an entry into the registrar of the Company's shareholders is implemented at the request of the shareholder or the nominal holder of the shares no later than within three days from the date of providing the documents, necessary for the procedure.

Refusal to make an entry into the registrar of shareholders is not allowed (unless provided under the legislation) and can be appealed in court.

At the request of a shareholder or a nominal holder of shares, the holder of the registrar of the Company's shareholders shall confirm the title to the shares by issuing an abstract of record in the registrar of the Company's shareholders.

13. COMPANY MANAGEMENT AND CONTROL BODIES

13.1. Management bodies of the Company are:

- General meeting of shareholders;
- Board of Directors;
- General Director (solitary executive body).

13.2. Control over the financial and business activities of the Company is implemented by the Inspection Commission.

14. GENERAL MEETING OF SHAREHOLDERS

14.1. The highest management body of the Company is the general meeting of shareholders.

14.2. Competence of the general meeting of shareholders include the following issues:

- (1) making changes and amendments to the Articles of Association of the Company or approve the Company's Articles of Association in the new wording;
- (2) reorganization of the Company;
- (3) liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;
- (4) election of members of the Board of Directors and early termination of their authorities;
- (5) determination of the amount, par value, category (type) of the stated shares and rights, conferred by those shares;
- (6) increasing the amount of the authorized capital of the Company by increasing par value of shares or by distributing supplement shares within the limits of the amount and category of the state shares;
- (7) reducing the amount of the authorized capital of the Company by reducing par value of shares or by reducing its total amount, including by purchasing by the Company a part of shares and their redemption;
- (8) establishment of the solitary executive body of the Company, preliminary termination of its authorities;
- (9) election of members of the inspection commission of the Company and early termination of their authorities;
- (10) approval of the Company's auditor;
- (11) payment (declaration) of dividends, based on the results of the first quarter, six months, none months of a financial year;
- (12) approval of annual reports, annual accounting statements, including profit and loss statements (profit and loss accounts) of the Company as well as distribution of profits (including payment (declaration) of dividends, except for the profits, distributed as dividends based on the results of the first quarter, six months, nine months of a financial year) and loss of the Company based on the results of a financial year;
- (13) determining the holding procedure of the general meeting of shareholders of the Company;
- (14) election of members of the returning board and early termination of their authorities;
- (15) splitting and consolidation of shares;

- (16) passing decisions on approval of transactions in cases, provided by Article 79 of the Federal Law “On Joint Stock Companies”;
 - (17) passing decisions on approval of large-scale transactions in cases, provided by Article 79 of the Federal Law “On Joint Stock Companies”;
 - (18) buying by the Company of the allotted shares;
 - (19) passing decisions on taking part in holding companies, financial and industrial groups, associations and other blocks of business organizations;
 - (20) approval of internal documents, regulating the Company’s bodies;
 - (21) deciding on other issues, provided by the legislation of the Russian Federation.
- 14.3. Issues, lying in the competence of the general meeting of shareholders, cannot be transferred for decisions to the Board of Directors or the executive body of the Company.
The general meeting of shareholders is not entitled to consider and decide on the issues, not lying in its competence.
- 14.4. Decision of the general meeting of shareholders on the issue, put to vote, is approved by the majority vote of shareholders – holders of the Company’s voting shares, unless otherwise is prescribed by the legislation of the Russian Federation.

15. BOARD OF DIRECTORS OF THE COMPANY

- 15.1. Board of Directors of the Company provides general management of the Company’s activities except for deciding on issues, lying in the competence of the general meeting of shareholders.
The Board of Directors of the Company consists of 7 persons.
- 15.2. Competence of the Board of Directors of the Company includes the following issues:
- (1) determination of the priority directions of the Company’s activities;
 - (2) convening annual and extraordinary general meetings of shareholders, except for cases, provided by Clause 8 Article 55 of the Federal Law “On Joint Stock Companies”;
 - (3) approval of agenda of the general meeting of shareholders;
 - (4) determining the date of making the list of persons, entitled to being present at the general meeting of shareholders, and other issues, related to the competence of the Board of Directors of the Company in accordance with provisions of chapter VII of the Federal Law “On Joint Stock Companies” and connected with the preparation and holding general meeting of shareholders;
 - (5) determination the price (pecuniary valuation) of assets, price of allotment and purchase of securities in cases, provided under the Federal Law “On Joint Stock Companies”;
 - (6) buying bonds and other emission securities, distributed by the Company, in cases prescribed by the legislation of the Russian Federation;
 - (7) recommendations on the amount of fees and compensations, paid to the members of the inspection commission of the Company, and determination of the amount, paid for the auditor’s services;
 - (8) recommendations on the amount of dividends under shares and their payment procedure;
 - (9) application of the reserve fund and other funds of the Company;
 - (10) establishing branches and opening representation offices of the Company;
 - (11) approval of large-scale transactions in case, provided by chapter X of the Federal Law “On Joint Stock Companies”;
 - (12) approval of transactions, provided by chapter XI of the Federal Law “On Joint Stock Companies”;
 - (13) approving the registrar of the Company and the terms and conditions of the contract with him, as well as termination of the contract;
 - (14) allotment by the Company of emission securities, except for shares and securities, convertible to shares, in cases, provided by the legislation of the Russian Federation;

- (15) determining the viewpoint of the Company (representatives of the Company) in reference to a point of agenda at the general meeting of shareholders (members) and meeting of the Board of Directors of subsidiary and subject companies as for liquidation and reorganization of the subsidiary and subject companies;
- (16) passing decisions on alienation of shares of joint stock companies, held by the Company;
- (17) other issues, which under the legislation of the Russian Federation, Articles of Association, lie within the exclusive competence of the Board of Directors of the Company.

Issues, lying within the competence of the Board of Directors of the Company, cannot be transferred for decision to the executive body of the Company.

15.3. The work procedure of the Board of Directors of the Company is established by the Regulation "On the Board of Directors of the Company", which is approved by the general meeting of shareholders.

15.4. Members of the Board of Directors elect from their number, by a majority vote of the total number of members of Board of Directors, chairman of the Board. Board of Directors of the Company is entitled at any time to reelect its chairman by the majority vote of the total number of votes of the Board of Directors.

The Chairman of the Board of Directors organizes its work, convenes meetings of the Board of Directors and presides over these meetings, organizes keeping minutes of meetings of the Board of Directors, presides over the general meeting of shareholders. In case of absence of the Chairman of the Board of Directors, the functions are exercised by one of the members of the Board of Directors at the decision of the Board.

A person, implementing functions of the General Director cannot at the same time be the Chairman of the Board of Directors.

15.5. Meetings of the Board of Directors are convened by the Chairman of the Board at his own initiative, at the request of a member of the Board, inspection commission of the Company or an auditor of the Company, General Director of the Company.

15.6. Decision of the Board of Directors of the Company can be passed by holding an absentee ballot (polling).

Decision of the Board of Directors of the Company, passed by absentee ballot, is considered valid if no less than half of the elected members of the Board of Directors took part in the voting.

15.7. Quorum for holding a meeting of the Board of Directors of the Company is no less than half of the elected members of the Board of Directors.

In case the number of members of the Board becomes less than the quorum number, the Board of Directors of the Company has to pass the decision on holding an extraordinary meeting of shareholders in order to elect new membership of the Board of Directors. The rest of the Board members are entitled only to pass the decision on convening such extraordinary general meeting of shareholders.

15.8. Decisions of the Board of Directors are passed by the majority vote of the Board members, present at the meeting, unless otherwise is provided by the legislation of the Russian Federation or these Articles. Each member of the Board of Directors has one vote. Transfer of the voting right from one member of the Board of Directors of the Company to the other member is forbidden. In case of a tie vote, the Chairman of the Board of Directors has a cast vote.

Minutes of a meeting of the Board of Directors is kept, which is composed no later than within 3 days from the date of holding the meeting of the Board of Directors and is signed by the chairman of the meeting.

15.9. At the proposal of the General Director of the Company, the Board of Directors approves the nomination of the Secretary of the Board of Directors of the Company. The powers of

the Secretary of the Board of Directors are determined by the Regulation “On the Board of Directors of the Company”.

16. EXECUTIVE BODY OF THE COMPANY

16.1. Management of the current activities of the Company is exercised by the General Director of the Company (solitary executive body), who is accountable to the Company’s Board of Directors and general meeting of shareholders.

In case the General Director cannot perform his duties, the Board of Directors is entitled to pass the decision on establishing a temporary executive body of the Company and holding an extraordinary general meeting of shareholders for the purpose of early termination of the general director and establishing a new solitary executive body of the Company.

Temporary executive body of the Company exercises general management of the current activities of the Company within the limits of competence of the executive body of the Company, unless the competence of the temporary executive body of the Company is limited by the Company’s Articles of Association.

16.2. General Director of the Company is elected by the general meeting of shareholders for 5 years.

16.3. General Director of the Company:

- (1) Provides the fulfillment of decisions, passed at the general meeting of shareholders and Board of Directors of the Company;
- (2) Enters into agreements and executes other transactions according to the procedure, established by the Federal Law “On Joint Stock Companies” and these Articles;
- (3) Is the employer’s representative in executing a joint agreement under the procedure, established by the legislation of the Russian Federation;
- (4) Submits for consideration of the Board of Directors issues on the advisability and necessity to reevaluate the Company’s fixed assets in cases, provided by the legislation;
- (5) Approves rules, instructions and other internal documentation of the Company, except for the documents to be approved by the general meeting of shareholders and Board of Directors of the Company;
- (6) Determines the organizational structure of the Company, approves the staff list of the Company as well as its branches and representation offices;
- (7) Hires and terminates employees, including hiring and terminating managers of branches and representation offices of the Company;
- (8) Applies to the employees incentive measures and imposes penalties according to the procedure and on terms, provided in the existing legislation on labor, as well as internal documents of the Company;
- (9) Opens current, foreign currency and other accounts of the Company;
- (10) Issues powers of attorney on behalf of the Company;
- (11) Provides organization and keeping of accounting and reports of the Company;
- (12) No later than 35 (thirty five) days before the date of the annual general meeting of shareholders of the Company, submits for consideration of the Company’s Board of Directors the annual report of the Company;
- (13) Provides organization and work planning of departments, branches and representation offices of the Company, exercises control over their activities;
- (14) Take part in the preparation and holding of the general meeting of shareholders;
- (15) Provides deposits of tax amounts, determined by the legislation of the Russian Federation, and other compulsory payments in the budgets;
- (16) Provides use of profits in accordance with decisions of general meeting of shareholders;
- (17) Establishes safe working conditions for the employees of the Company;
- (18) Provides secure treatment for the state and commercial secrets as well as confidential information or classified data, disclosure of which may bring damage to the Company

or to the Russian Federation. The General Director bears personal responsibility for the organization of works and creating conditions for securing the state secrets in the Company, for breaching the limitations, determined by the legislation, in reference to access to data, being a state secret;

- (19) Approves investment programs and financial plans of the Company;
- (20) Determines types of incentive and remuneration payments (additional payments, bonuses, premiums, etc.), procedure and terms of their application, and determines forms, system and amount of wages of the Company's employees;
- (21) Independently determines additional vacations, shortened work day and other privileges for the employees of the Company;
- (22) Solves other issues of the current activities of the Company.

16.4. The General Director acts on behalf of the Company without the power of attorney.

16.5. The General Director determines the viewpoint of the Company (representatives of the Company) on the agenda issues at the general meeting of shareholders (participants) and meeting of board of directors of subsidiary and subject companies unless the Company's Articles of Association confers such powers to the competence of the Company's Board of Directors.

17. RESPONSIBILITY OF MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL DIRECTOR OF THE COMPANY

17.1. Members of the Company's Board of Directors and General Director of the Company in exercising their rights and fulfilling their duties shall act in the interests of the Company, exercise their rights and fulfill duties wisely and in good faith. They are responsible to the Company for the loss, incurred by the Company, due to their faulty acts (failure to act), unless other grounds and amount of the responsibility are determined by the federal laws.

The Company or a shareholder (shareholders), holding jointly no less than 1 (one) per cent of the allotted ordinary shares of the Company, are entitled in accordance with the established procedure to bring an action in court against the persons mentioned above in reference to the compensation of the losses, incurred by the Company.

17.2. Executive bodies of the Company bear responsibility for the reliability of information, included in the statements of the Company.

18. ACCOUNTING AND STATEMENTS OF THE COMPANY. DOCUMENTATION OF THE COMPANY.

18.1. The Company keeps accounting records and submits financial statements under the procedure and in terms, determined by the legislation of the Russian Federation.

18.2. In accordance with the legislation of the Russian Federation and the Company's Articles of Association executive body of the Company (General Director of the Company) bears responsibility for the organization, condition and reliability of the accounting records of the Company, timely submission of annual statements and other financial reports to the respective authorities, as well as data on the Company's activities, presented to shareholders, creditors and mass media.

18.3. The Company without fail provides the necessary disclosure of information about itself and its activities according to the procedure, determined by the legislation of the Russian Federation.

18.4. Results of the Company's activities are indicated in the documents, being the accounting statements of the Company as well as in the annual report.

18.5. Before the publication by the Company of the annual statement of the Company and annual accounting statement the Company shall engage an auditor (auditing organization) for annual audit and confirmation of the financial statement.

18.6. Annual statement of the Company has to be preliminary approved by the Board of Directors of the Company no later than 30 days before the date of holding the annual general meeting shareholders.

Reliability of information, indicated in the annual report of the Company and the annual accounting statement, shall be confirmed by the inspection commission of the Company.

18.7. Financial year of the Company starts on January, 1st and ends on December 31st.

18.8. For the purpose of exercising the state, social, economic and fiscal policy the Company provides security, keeping in the necessary condition, long-term holding and use (issuing certificates at the request of legal and natural persons) of documents on the personnel. In accordance with the procedure, provided by the legislation of the Russian Federation, documents on the personnel of the Company are transferred for the state archiving.

The list of documents, terms of their keeping and destruction are determined in accordance with the procedure, established in the legislation of the Russian Federation.

18.9. The following documents shall be kept at the location of the executive body of the Company:

- Articles of Association of the Company, alterations and amendments made to the Articles of Association of the Company and registered under the established procedure, decision on establishing the Company, document of the state registration of the Company;
 - documents, confirming the Company’s rights for the assets, being on its balance;
 - internal documents of the Company;
 - regulation on a branch or representation office of the Company;
 - annual statements;
 - accounting documents;
 - accounting statement documents;
 - minutes of the general meetings of shareholders (decisions of a shareholder, being the holder of all voting shares of the Company), meetings of the Company’s Board of Directors and inspection commission;
 - voting ballots as well as powers of attorney (copies thereof) for being present at the general meeting of shareholders;
 - third party appraiser reports;
 - lists of the Company’s affiliated persons;
 - lists of persons, entitled to be present at the general meeting of shareholders, receive dividends as well as other lists, composed by the Company in order to facilitate shareholders to exercise their rights in accordance with the requirements of the Federal Law “On Joint Stock Companies”;
 - conclusions of the inspection commission, Company’s auditors, state and municipal bodies of financial control;
 - emission prospectuses, quarterly issuer statements and other documents, that include information to be published and disclosed by other means in accordance with the Federal Law “On Joint Stock Companies” and other federal laws;
 - other documents, provided by the legislation of the Russian Federation, Company’s Articles of Association, Board of Directors and General Director of the Company.

All mentioned above documents of the Company shall be accessible for shareholders. Shareholders (shareholder) holding jointly no less than 25 per cent of the voting shares of the Company, have access right to the accounting documents.

19. CONTROL OVER FINANCIAL AND BUSINESS ACTIVITIES OF THE COMPANY.

19.1. Control over the financial and business activity of the Company is exercised by the inspection commission, consisting of three persons, who are elected by the general meeting of shareholders till the next annual general meeting of shareholders.

Members of the inspection commission cannot be at the same time members of the Board of Directors or hold any other offices in the management bodies of the Company.

Shares, held by the members of the Board of Directors of the Company or persons, holding offices in the management bodies of the Company, cannot take part in the voting while electing members of the inspection commission of the Company.

19.2. Member of the inspection commission are responsible for conscientious fulfillment of their duties under the procedure, determined by the legislation of the Russian Federation.

19.3. In the process of fulfilling its duties the inspection commission may engage specialists from the number of persons, not holding any offices in the Company.

19.4. The procedure of the inspection commission activities is determined by an internal document of the Company (Regulation on the inspection commission of the Company), approved by the general meeting of shareholders.

19.5. Examination (inspection) of the financial and business activity of the Company is performed on the basis of the results of its activities for the respective year as well as at any time at the initiative of the inspection commission of the Company, decision of the general meeting of shareholders, Board of Directors or at the request of a shareholder (shareholders), holding jointly no less than 10 (ten) per cent of the Company's voting shares.

According to the decision of the general meeting of shareholders members of the inspection commission during the period of fulfilling their duties may be paid remuneration and (or) may be compensated all the expenses, connected with fulfilling their duties. The amounts of such remuneration and compensations are determined by the decision of the general meeting of shareholders.

19.6. At the request of the inspection commission persons, holding offices in the management bodies of the Company, shall present the requisite documentation on the financial and business activities of the Company.

19.7. Inspection commission inspects observance by the Company of legislative and other regulatory acts, regulating its activity, legality of operations, performed by the Company, conditions of funds and assets.

19.8. Documentary results of inspections, performed by the inspection commission, are presented to the Board of Directors of the Company and the General Director of the Company for taking the necessary measures.

19.9. Based on the results of the inspection, in case any threat arises to the interests of the Company or its shareholders or any misuse by officials is discovered, the inspection commission is entitled to request convention of an extraordinary general meeting of shareholders.

19.10. In order to examine the financial and business activity of the Company and confirm reliability of its annual financial statement the Company engages on a contract basis a professional auditor, who has a license to perform such activities.

The auditor is approved by the general meeting of Company's shareholders.

19.11. Signing contracts for auditing services is performed based on the results of an open bid.

19.12. Conclusion of the inspection commission and the auditing organization (auditor) on the basis of the results of the inspection of the financial and business activity of the Company shall include:

- a) Confirmation of the reliability of information in the statements and other financial documentation of the Company;
- b) Information about the facts of violation of accounting regime, established by the legislation of the Russian Federation, and the procedure for submitting the

financial statements, as well as non-compliance to the legislation in the process of the financial and business activity.

20. REORGANIZATION AND LIQUIDATION OF THE COMPANY

20.1. The Company voluntarily may be reorganized under the procedure, provided by the Federal Law “On Joint Stock Companies”.

Other grounds and procedure of reorganization of the Company are determined by the Civil Code of the Russian Federation and other federal laws.

Reorganization of the Company may be implemented in the form of merger, acquisition, de-merger, and transformation.

Asset formation of companies, resulting from reorganization, is implemented at the expense of assets of the reorganized companies.

20.2. Except for cases of reorganization in the form of acquisition the Company shall be considered reorganized from the moment of the state registration of newly- appeared legal persons.

In case of the reorganization of the Company by acquiring another company, the first is considered reorganized from the moment of entry made into the unified state registrar of legal persons on the termination of activities of the acquired company.

The state registration of companies, newly –appeared as a result of company reorganization and entry on the termination of activities of the reorganized companies are performed in the procedure, established by federal laws.

No later than 30 days after the date of decision on the reorganization of the Company, and where reorganization is in the form of merger or acquisition – after the date of decision on that, taken by the last from the companies, participating merger or acquisition, the Company shall in writing notify all company’s creditors and publish in a printed edition, publishing information on the state registration of legal persons, information of the decision taken. And the creditors of the Company within 30 days from the date of posting to them notification of the decision taken or within 30 days from the date of publication of information on the decision taken, are entitled to request in writing early termination or fulfillment on the part of the Company its respective obligations and compensation by it of the damage incurred.

At the reorganization of the Company its rights and obligations are transferred to its successors.

If the separation balance or deed of conveyance do not allow to determine the successor of the reorganized company, legal persons, resulting from reorganization, bear joint responsibility under the obligations of the reorganized company to its creditors.

In case of reorganization of the Company these Articles of Association shall be amended with the necessary provisions, and all the documents still valid shall be transferred to the successor of the Company in the established procedure.

20.3. The Company can be liquidated voluntarily under the procedure, established by the Civil Code of the Russian Federation and taking into account requirements of the Federal Law “On Joint Stock Companies” and the Company’s Articles of Association. The Company can be liquidated by judgment on the grounds, provided in the Civil Code of the Russian Federation.

Liquidation of the Company results in its termination without the transfer of rights and obligations to other persons under the succession procedure.

In case of voluntary liquidation of the Company the Board of Directors of the liquidated Company shall submit for consideration of the general meeting of shareholders decision on the liquidation of the Company and appointment of the liquidation committee.

The general meeting of shareholders of the voluntary liquidated Company shall take the decision on the liquidation of the Company and appointment of the liquidation committee.

20.4. From the moment of the appointment of the liquidation committee, it obtains all the rights of the activity management of the Company. Liquidation committee appears in court on behalf of the liquidated Company.

20.5. The liquidation committee:

- a) Places in printed editions, publishing information on the registration of legal persons, statement on the liquidation of the Company, procedure and terms of presenting claims by its creditors;
- b) Takes measures to identify creditors and get all receivables as well as in writing notifies creditors of the liquidation of the Company;
- c) After the end of term for presenting claims by the creditors, draws a preliminary liquidation statement, which includes information on the assets of the liquidated Company, claims, raised by the creditors and the results of their consideration. Preliminary liquidation statement is approved at the general meeting of shareholders;
- d) In case the Company does not have enough monetary funds to satisfy claims of the creditors, performs public auction sale of other assets of the Company in the procedure, established for the implementation of a judgment;
- e) Makes payments to the creditors of the Company of amounts in the priority order, established by the Civil Code of the Russian Federation, in accordance with the preliminary liquidation statement, starting from the date of its approval, except for the creditor of the fifth round, payments to whom are made one month after the approval of the preliminary liquidation statement;
- f) After the settlements with the creditors are completed, draws up liquidation statement, which shall be approved by the general meeting of shareholders.
- g) Under the established procedure distributes between the shareholders the assets of the Company remaining after the settlements with the creditors.

Distribution of assets of each round is performed after full distribution of assets of the previous round.

20.6. Liquidation of the Company shall be considered as completed, and the Company as terminated from the moment of the respective entry by the state registration authority into the unified state registrar of legal persons.

20.7. In case of the liquidation of the company, personnel lists and other documents of the Company, provided by the regulations of the Russian Federation, are transferred to the respective archives for state archiving under the established procedure.

20.8. In case of reorganization or liquidation of the Company as well as at the termination of works, comprising information being the state secret, the Company shall provide the safety of this information and their media by developing and taking measures for confidentiality, information protection, counteraction against foreign technical intelligence, for security and fire safety.

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| <p>Tax Authority № 8 of the Ministry of Taxation of the Russian Federation. The certificate of the state registration is issued on October 22, 2004 under the principal state registration number 1047708046870. Position – Head of Department. /Signature/</p> | <p>19 pages of this Article of Association were tied together and sealed. Lead specialist of the Administrative Office. /Signature/</p> |
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| <p>Official Stamp: *Ministry of Taxation of Russia* Division of the Ministry of Taxation of Russia, Moscow*Tax Authority № 8 for the Central Administrative District of Moscow; Principal State Registration No. 1027700513081* Identification Number of Taxpayer 7798034472</p> | <p>Official Stamp: *Federal Agency for Federal Property Management * Administrative Office No1.</p> |
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