

**“Registered”**

**“Approved”**

**By Baku Zone Branch on Public Registration  
of Legal Entities of the Ministry of Justice of  
the Republic of Azerbaijan**

**By the Open Joint Stock Company  
“Azerbaijan Investment Company”  
Supervisory Board Meeting dated  
10.05.2006**

**Registration №: 0106-P222-45929**

**Registration Date: 22.05.2006**

**Minutes № 01**

**Deputy Chief: N.Guliyev**

**CHARTER of  
OPEN JOINT-STOCK COMPANY  
“AZERBAIJAN INVESTMENT COMPANY”**

**Baku city, Azerbaijan Republic**

Accurate with original.

# **CHARTER of Open Joint-Stock Company “Azerbaijan Investment Company”**

## **1. General Provisions**

- 1.1. Open Joint Stock Company “Azerbaijan Investment Company” (hereinafter: “Company”) is established under the Edict by the President of the Republic of Azerbaijan “On Additional Measures to Promote Investment Activity” dated 30 May 2006, No:1395.
- 1.2. The Ministry of Economic Development of the Republic of Azerbaijan carries out activity of the nominal holder and manager of the Company’s state owned equity.
- 1.3. The Company carries out its activity in compliance with the Constitution of the Republic of Azerbaijan as well as the Azerbaijani laws; Edicts and Decrees by the President of the Republic of Azerbaijan; Orders and Decrees by the Cabinet of Ministers of the Republic of Azerbaijan; and this Charter.
- 1.4. The Company is a legal entity with its registered name as shown below:
  - 1.4.1. Full name - Open Joint Stock Company “Azerbaijan Investment Company”;
  - 1.4.2. Short name – OJSC “Azerbaijan Investment Company”.
- 1.5. The Company’s registered address: the Republic of Azerbaijan, Baku, 23 Niyazi st.

## **2. Principles and Purposes of the Company’s Activity**

- 2.1. The purpose of investment activity of the Company is, mainly, to acquire a participation share as well as stocks in the charter capital of joint stock companies and other commercial entities carrying out their activity in the non-oil sector of the national economy.
- 2.2. The Company’s investment activity is based on the following principles:
  - 2.2.1. Decision on the Company’s investment into the charter capital of operating or newly established commercial entities shall be taken upon analysis of business-plans, reflecting commercial profitability of activity of the entities with proposed participation share, and consideration of the experience and business successes of founders and other participants of these entities;
  - 2.2.2. The Company shall not have a dominating participation share in the charter capital of its investee commercial entities;
  - 2.2.3. While concluding investment agreements with commercial entities, a participation share of which is proposed for acquisition, the Company’s right to participate in governing bodies (General Meeting of Shareholders, Supervisory Board) of these entities, and, if so resolved by the Supervisory Board of the Company, its veto right, causing the invalidation of decisions taken by those bodies, shall be included in such agreements;
  - 2.2.4. Upon expiration of the term set by the supreme governing body of the Company for investment into the charter capital of a commercial entity the Company shall terminate

its participation in the commercial entity by selling its participation share at a market price.

### **3. Rights of the Company**

- 3.1. The Company shall have the following rights:
- 3.1.1. to make transactions on behalf of its name, acquire property and personal non-property rights, bear obligations, and act as a plaintiff or a defendant in courts;
  - 3.1.2. to spread information about its activity;
  - 3.1.3. to establish its branches and representative offices in the territory of Azerbaijan Republic and abroad;
  - 3.1.4. to open and maintain the bank accounts;
  - 3.1.5. to have independent balance, hold the Company seal and other requisites;
  - 3.1.6. to issue shares and other securities under the laws of Azerbaijan Republic;
  - 3.1.7. to attract funds from foreign and local markets;
  - 3.1.8. to place free financial resources in the local and foreign markets under relevant legislation;
  - 3.1.9. to engage in other activities not prohibited by the legislation and conforming to the Company's purpose of activity;
  - 3.1.10. to enjoy other rights provided by the legislation of Azerbaijan Republic.

### **4. Charter Capital and Property of the Company**

- 4.1. The Charter capital of the Company shall be equal to AZN 90 million.
- 4.2. The Charter capital of the Company shall be divided into 900 000 (nine hundred thousands) subscribed shares with a par value of AZN 100 (one hundred) each.
- 4.3. The Company may increase its charter capital by increasing the par value of its shares or issuing additional shares upon resolution of its supreme governing body.
- 4.4. The Company may decrease its charter capital by reducing the par value of shares or redeeming a part of its shares upon resolution of its supreme governing body.
- 4.5. A property of the Company shall be formed out of the following sources:
- 4.5.1. shares of shareholders;
  - 4.5.2. voluntarily delivered property;
  - 4.5.3. dividends and profits from invested shares, other securities and other funds;
  - 4.5.4. profits gained from usage of its property or its sale;
  - 4.5.5. profits gained from the activity of its founder and/or investee entity;
  - 4.5.6. grants;
  - 4.5.7. other earnings not prohibited by the legislation.
- 4.6. The Company may provide for expansion of its activity and increase the volume of investments by issuing additional shares, bonds or attracting credits.
- 4.7. The dividends from shares of the Company shall be transferred to the State Oil Fund of the Republic of Azerbaijan.

4.8. The Company shall pay taxes and make other mandatory payments, arrange financial, statistical and other reports and present them to relevant state agencies in accordance with the legislation.

## **5. Rights and Obligations of Shareholders of the Company**

5.1. Shareholders of the Company shall be individuals and (or) legal entities who own one or more shares of the Company as provided by the Civil Code of the Republic of Azerbaijan.

5.2. In the event if one share belongs to several shareholders such persons shall be recognized as a one shareholder by the Company, and may enjoy their rights through their representative.

5.3. Shareholders shall have the following rights:

5.3.1. to participate in the Company's governance, to elect and be elected in its governing and management bodies as provided by the Civil Code of the Republic of Azerbaijan, other laws and this Charter;

5.3.2. to obtain information about activity of the Company, to be familiarized with its annual report and balance sheet;

5.3.3. to require calling of the meeting of the supreme governing body of the Company provided to own at least 10% of the Company shares;

5.3.4. to require making amendments to the agenda of the supreme governing body of the Company provided to own at least 10% of the Company shares;

5.3.5. to participate in the meeting of the supreme governing body of the Company with a voting right, and to require the copy of its minutes;

5.3.6. to require inspection of the Company's activity by the Revision commission or auditor;

5.3.7. In the event of termination of the Company's activity, to obtain a certain part of its property upon fulfillment of claims of the Company's creditors, payment of the calculated but unpaid dividends as well as of the liquidation value of preference shares;

5.3.8. other rights stipulated by the legislation.

5.4. Shareholders have the following obligations:

5.4.1. not to disclose trade secret or any other confidential information to the third parties;

5.4.2. to furnish within 10 (ten) calendar days a written notification to the register keeping body about any changes of information in the shareholders' register;

5.4.3. other obligations stipulated by the legislation.

## **6. The Supreme Governing Body of the Company**

6.1. While the Company shares are fully state-owned, the powers of its supreme governing body (save for the Company's liquidation or reorganization) shall be executed by its Supervisory Board. In other events the supreme governing body of the Company shall be the General Meeting of Shareholders. Operating schedule of the Supervisory Board of the Company shall be defined by its approved Regulations.

- 6.2. The Company's supreme governing body shall have the following powers:
- 6.2.1. to approve the Charter of the Company, as well as addendums and amendments to it;
  - 6.2.2. to assign Executive Director of the Company and his deputy (deputies), conclude a labor contract with them as specified by the legislation;
  - 6.2.3. to approve an estimate of incomes and expenditures (budget) of the Company for the following year;
  - 6.2.4. to define the structure of the Company and its personnel;
  - 6.2.5. to assign members of the Revision Commission of the Company;
  - 6.2.6. to change the charter capital of the Company; issue new shares of the Company and define conditions of their floatation in the local and (or) foreign markets;
  - 6.2.7. to define investment rules;
  - 6.2.8. to define the rules of attracting and placement of funds;
  - 6.2.9. to define the conditions of sale, other way of disposal, alienation or liquidation of the Company's assets;
  - 6.2.10. to approve annual reports, balance sheets, profit and loss accounts of the Company, to make resolutions on profit and loss distribution, fix and payment of the dividends volume;
  - 6.2.11. to set a term of the Company's investment into the charter capital of operating or newly established commercial entities;
  - 6.2.12. in the event of expiration of the term of investment into the commercial entity set by the Company's supreme governing body, to terminate its participation in the commercial entity by selling the Company's share at a market price;
  - 6.2.13. to determine a non-monetary property value invested into the charter capital;
  - 6.2.14. to establish a credit committee when required;
  - 6.2.15. to select an independent auditor for the Company's auditing (including international auditing);
  - 6.2.16. to make resolutions on other strategic issues of the Company's activity.
- 6.3. The supreme governing body may entrust its powers indicated in 6.2.11-6.2.15 subclauses of this Charter or part of them to Executive Director of the Company.

## **7. Executive Director of the Company**

- 7.1. Executive Director of the Company shall be appointed by its supreme governing body, and be in charge of day-to-day management of the Company.
- 7.2. Executive Director shall have the following powers:
- 7.2.1. Arranging and managing a day-to-day activity of the Company;
  - 7.2.2. Representing the Company in state agencies and third parties without a power of attorney, concluding contracts on behalf of the Company, issuing powers of attorney, implementing resolutions of its supreme governing body;
  - 7.2.3. suggesting the extraordinary meeting calls of the supreme governing body and proposals on different aspects of the Company's activity, putting forward the projects;

- 7.2.4. Approving regulations and charters of structural departments and subordinate branches of the Company;
- 7.2.5. Hiring and displacing employees of structural departments of the Company, distributing powers among them, taking encouragement and disciplinary measures over them as provided by the legislation;
- 7.2.6. Disposing of the Company's property under conditions specified by the legislation and in conformity with this Charter;
- 7.2.7. Executing other powers specified by the supreme governing body of the Company in conformity with legislation and this Charter.
- 7.3. Upon resolution of the supreme governing body the powers of Executive Director of the Company may be delegated on a contract basis to the other commercial entity or individual.

## **8. The Revision Commission and Audit of the Company**

- 8.1. The Revision Commission shall be established in order to control and revise the financial and economical activity of the Company.
- 8.2. The Revision Commission shall consist of 3 (three) physical persons. Members of the Revision Commission shall be assigned for 3 (three) years by the supreme governing body of the Company.
- 8.3. Member of the Supervisory Board of the Company, as well as its Executive Director and his deputies may not be the members of the Revision Commission.
- 8.4. Meetings of the Revision Commission shall be deemed authorised only in case of attendance of all its members. Resolutions of the Revision Commission shall be taken by a majority vote.
- 8.5. The Revision Commission shall revise the financial and economical activity of the Company at the end of a business year upon request of the supreme governing body of the Company, its Executive Director or shareholders owning at least 10% of the Company shares.
- 8.6. The Revision Commission shall present reports on results of annual revisions to Executive Director at least 10 (ten) days prior to a meeting of the supreme governing body of the Company. The report shall be prepared in conformity with prescribed financial bookkeeping methods and rules.
- 8.7. All information and documents shall be presented to the Revision Commission in time.
- 8.8. The supreme governing body of the Company may not approve the annual balance without estimation thereof by the Revision Commission.
- 8.9. For inspection of the annual financial accounts the Company shall hire the professional auditor (auditing firm), not related to the Company or its shareholders in regard to its occupational interests. The independent auditing of the financial and economical activity of the Company shall be carried out in compliance with the legislation of the Republic of Azerbaijan.

8.10. The supreme governing body of the Company shall select an auditor until the end of the relevant business year to be audited.

## **9. Liquidation and Reorganization of the Company**

9.1. The Company may be liquidated in the following events:

9.1.1. Upon a relevant decree by the President of the Republic Azerbaijan Republic, for as long as the Company shares are fully state-owned;

9.1.2. upon resolution by the court in cases specified by the legislation.

9.2. The Company shall be liquidated in the manner specified by the legislation.

9.3. The Company may be reorganized upon a relevant decree by the President of the Republic of Azerbaijan, for as long as the Company shares are fully state-owned.

## **10. Final Provisions**

10.1. Issues not stipulated in this Charter shall be regulated by the legislation.

10.2. In the event the articles of this Charter contradict lo laws, the relevant provisions of laws shall be applied.