

APPROVED BY
the Board of Directors
of OJSC North-West Telecom
Minutes of 18.07. 2002 No.31-02(02)

PROVISION
ON THE COORDINATING BOARD
of North-West Telecom
Open Joint Stock Company
(Draft 01-02)
(With amendments and supplements No.1 of 26.01.04)

Saint Petersburg
2002

1. General Provisions

1.1. Coordinating Board of the OJSC North-West Telecom is a standing collegiate conference of the Managers of Subsidiaries and the OJSC North-West Telecom hereinafter referred to as the «Company».

1.2. Coordinating Board of the OJSC North-West Telecom, hereinafter referred to as the «Coordinating Board», shall act on the basis of the Charter of the Company and the present Provision.

1.3. Coordinating Board shall enhance generation and implementation of the Company's strategy, planning of the Company's activities, and coordination of interaction between subsidiaries within its frame of reference granted to it by the Company's Charter and the present Provision.

1.4. Coordinating Board shall report to the General Manager and the Managing Board of the Company.

1.5. Coordinating Board shall elect the Chairman and Deputy Chairman of the Coordinating Board.

1.6. Members of the Coordinating Board at sessions of the Coordinating Board shall present the opinions on the resolved matters generated in the Subsidiaries as well as the Administrations of the corresponding regions.

2. Frame of reference of the Coordinating Board

2.1. Frame of reference of the Coordinating Board shall cover the preparation of materials necessary for resolving the issues of generation and implementation of the Company's strategy, planning of the Company's activities, and coordination of interaction between subsidiaries within the competence granted to it by the Charter of the Company and the present Provision.

2.2. The frame of reference of the Coordinating Board of the Company shall comprise the following aspects of the Company's activity:

- participation in the generation and implementation of the Company's strategy, planning of the Company's activities, and coordination of interaction between subsidiaries;
- contribution to the preparation of the Company's development strategy, its engineering, marketing, and investment policies;
- review of draft business plans (budgets) of the Company and draft business plans (budgets) of its subsidiaries;
- expert assessment of the Company's projects and programs;
- development of proposals aimed at improvements in the production and financial and economic activities of the Company.

2.3. Coordinating Board may take decisions on other aspects of the Company's business that may be submitted for its consideration.

3. Formation of the Coordinating Board

3.1. Coordinating Board shall comprise members of the Coordinating Board.

3.2. The number of persons on the Coordinating Board list and appointment of members of the Coordinating Board shall be decided by a resolution of the Company's Managing Board by nomination from the General Manager.

3.3. Coordinating Board shall comprise at least three members without taking into account members of the Coordinating Board who belong to it by virtue of their position.

3.4. Regional Managers of Subsidiaries are members of the Coordinating Board by virtue of their position. It is also allowed to the persons performing the duties of Regional Managers of Subsidiaries following the corresponding procedure to participate in the activities of the Coordinating Board.

3.5. Proposals on membership and nominees to members of the Coordinating Board (not belonging to it due to their position) shall be submitted by the General Manager of the Company. Any official of the Company, except for the General Manager of the Company, can be a member of the Coordinating Board.

3.6. Nomination of members of the Coordinating Board shall be carried out annually within seven days after appointing new members of the Company's Managing Board.

3.7. Chairman and Deputy Chairman of the Coordinating Board shall be elected by the majority of votes among the Coordinating Board members. Chairman of the Coordinating Board can be a member of the Managing Board of the Company.

3.8. Coordinating Board of the Company can at any time re-elect its Chairman as well as Deputy Chairman by the majority of votes of total number of the Coordinating Board members.

3.9. In case of pre-schedule termination of the authority of a member of the Coordinating Board (in connection with termination of the labour contract at the main place of employment), the General Manager shall have the right to propose a new nominee to the Coordinating Board instead of the retiring one for nomination at the next meeting of the Managing Board. The authority of the newly nominated member of the Coordinating Board, instead of the retiring one, shall be valid up to expiry of the authority of all members of the Coordinating Board.

4. Meetings of the Coordinating Board

4.1. Meetings of the Coordinating Board shall be convened by the Chairman of the Coordinating Board, who determines the date, venue and agenda of the meeting of the Coordinating Board, organizes its work, keeping of the minutes and takes chair at them.

4.2. Meetings of the Coordinating Board shall be convened as necessary, but at least once a month. The following persons have got the right to initiate questions: General Manager of the Company, members of the Company's Managing Board, and members of the Coordinating Board. The item shall be put on the agenda of the Coordinating Board Meeting convened within 15 days after its initiation.

4.3. Resolutions of the Coordinating Board can be taken without holding meetings by absentee voting.

4.4. The quorum for holding the meetings of the Coordinating Board shall be at least three fourths of the Coordinating Board members.

4.5. Resolutions at the meetings of the Coordinating Board shall be taken by a majority of votes of the Coordinating Board members attending the meeting.

4.6. When resolving the matters at the meeting of the Coordinating Board each member of the Coordinating Board shall have one vote. In case of parity of votes of the Coordinating Board members in taking decisions, the Coordinating Board Chairman shall have the right of the casting vote

4.7. In case of non-attendance of the Coordinating Board meeting, the Coordinating Board member shall have the right to present his opinion in writing, and it shall be taken into account in taking a decision.

4.8. Coordinating Board of the Company shall appoint an Executive Secretary.

4.9. The Executive Secretary shall accomplish the office work of the Coordinating Board, including the work on preparation and circulation of technical documents in the period between the meetings of the Coordinating Board.

4.10. Meetings of the Coordinating Board are, as a rule, closed; other persons can attend the Coordinating Board meetings only with its permission. All meetings of the Coordinating Board shall be attended by the Executive Secretary of the Coordinating Board (or a person acting for him).

4.11. The Executive Secretary shall keep the minutes at the Coordinating Board meetings. Minutes of the Coordinating Board meeting shall be drawn up within 5 (five) days after holding it and shall include the following items:

- venue and date of the Coordinating Board meeting;
- persons attending the meeting;
- agenda of the meeting;
- matters put to the vote and voting results on them;
- resolutions taken.

Minutes of the Coordinating Board meeting shall be signed by the Coordinating Board Chairman, who is responsible for the correctness of drawing-up the minutes, and by the Executive Secretary.

Should the Chairman of the Coordinating Board refuse to sign the minutes, they shall be signed by members of the Coordinating Board attending the meeting.

Member of the Coordinating Board shall have the right to enter his differing view into the minutes.

The minutes of the Coordinating Board meeting shall be presented to the members of the Managing Board, General Manager and other bodies of the Company as necessary.

4.12. In case of absence of the Coordinating Board Chairman, his functions shall be performed by his Deputy. If the Coordinating Board Chairman and his Deputy do not attend the meeting of the Coordinating Board, the Coordinating Board shall elect a Chairperson.

4.13. Notification of the Coordinating Board members of holding the Coordinating Board meeting shall be made by the Chairman at least 7 calendar days before holding the meeting. Information on holding the meeting of the Coordinating Board shall contain the date, time and place of holding the meeting as well as the materials on items put on the agenda.

4.14. Under the Coordinating Board, the commissions can be set up for performing the work on certain trends of activities. The commissions shall work according to the individual plans reporting on their activities to the Coordinating Board.

4.15. Financing of the activities of the Coordinating Board shall be determined by a separate line in the Company's budget.

5. Remuneration to members of the Coordinating Board

5.1. According to the resolution of the Managing Board of the Company the members of the Coordinating Board during the period of performing their duties shall receive a remuneration and (or) compensation of the expenses related to execution of their functions of members of the Coordinating Board.

5.2. For members of the Coordinating Board, who are not at the same time members of the Company's managing bodies, the amount of travelling allowance per day, when exercising the functions directly related to the Company's activity, is as follows:

5.2.1. Daily allowance:

- **within the Russian Federation - in the amount of 1 300 roubles per day (Amendments and supplements No.1 of 26.01.04)**

5.2.2. Payment for hotel accommodation based on actual stay.

5.2.3. Payment for railway tickets in a sleeping car or for airplane tickets (business class).

5.3. Quarterly remuneration to members of the Coordinating Board shall be paid in the amount of 65 percent of the remuneration determined for members of the Company's Board of Directors.

5.4. Payment of compensations and remunerations to members of the Coordinating Board shall be made at the expense of profit remaining at the Company's disposal.

6. Responsibility of members of the Coordinating Board

6.1. Members of the Coordinating Board, while exercising their rights and performing their duties, shall act in the interests of the Company, exercise their rights and perform their duties with respect to the Company conscientiously and reasonably.

7. Procedure of approval and amendments to the Provision

7.1. Provision on the Coordinating Board shall be approved by the Company's Board of Directors.

7.2. Proposals on making amendments and supplements to the Provision on the Coordinating Board shall be submitted on the initiative of the General Manager of the Company, Members of the Managing Board of the Company and shall be adopted following the general procedure by the Board of Directors of the Company.

7.3. Should as a result of changes in legislative and regulatory acts of the Russian Federation certain clauses of the present Provision be at variance with the legislative acts, they shall lose force, and till the time when amendments are made to the Provision, the Company's officials shall be guided by legislative acts of the Russian Federation.