

**Protocol № 1  
of the Annual General meeting of Shareholders of  
Open Joint Stock Company Long-Distance and International Telecommunications Rostelecom  
based upon operation results of 2001**

Moscow

10 June 2002

The date of the meeting: **June 1, 2002**. Registration of the participants: 9:00. Beginning of the meeting 10:00. Termination of the meeting after the Registrar serving as a Counting Commission report on the results of the ballot through all the Agenda items. The Registrar serves as a Counting Commission.

The venue of the meeting Rostelecom Training and Manufacturing Centre, Village of Bekasovo, Naro-Fominsk District, Moscow Region. The address of the Registrar, the “RTC-Registrar” branch of CJSC “Registrar-Svyaz”: **5 Delegatskaya Street, Moscow, 127091, Russia, “RTC-Registrar”**.

A number of common shares carrying a voting right is **728,696,320**. A number of common shares participated in the ballot is **629,826,065**.

The Chairman of the Shareholders meeting:

The Chairman of the Rostelecom Board of Directors Mr. Valery N. Yashin

The Secretary of the Shareholders meeting: Mr. Boris A. Epinin

The Presidium of the Shareholders meeting: The General Director of OJSC “Rostelecom” Mr. Sergei I. Kuznetsov

The agenda of the meeting, materials to the agenda and ballot papers for voting on the agenda items of the meeting were sent by registered mail to each shareholder recorded in the Company register as of **April 14, 2002** and thus entitled to participate in the Annual General Shareholders meeting.

**Agenda of the Meeting:**

1. Approval of the Company's annual report, annual accounting statements, including profits and losses statement (profits and losses accounts) of the Company, and distribution of profits and losses upon the results of the reporting fiscal year (2001).
2. Determination of the amount, forms and payment deadlines of dividends for 2001 with respect to shares of each category.
3. Election of the Board of Directors of the Company.
4. Election of the Auditing Commission of the Company.
5. Approval of the external auditor of the Company for 2002.
6. Approval of the restated Charter of the Company.
7. Approval of the restated Regulations on the General Meeting of Shareholders of OJSC Rostelecom.
8. Approval of the restated Regulations on the Board of Directors of OJSC Rostelecom.
9. Amendments and additions to the Regulations on the Auditing Commission of OJSC Rostelecom.

10. Approval of the restated Regulations on the General Director of OJSC Rostelecom.
11. Approval of the restated Regulations on the Management Board of OJSC Rostelecom.
12. Participation of the Company in the "Iskra" Association of Federal Business Service Network Operators.

According to the results of the counting by the Counting Commission which functions were carried out by the Registrar, the "RTC-Registrar" branch of CJSC "Registrar-Svyaz" (Protocol of the Counting Commission # 1 as of **June 1, 2002** is attached to this Protocol of the General Shareholders Meeting and constitutes its integral part) the total number of shareholders who took part in the Meeting was **904** holding altogether **629,826,065** voting (common) shares, which account for **86.43%** of the total number of voting (common) shares. According to the Company's Charter the meeting was deemed valid. Quorum was reached.

The Protocol of the Counting Commission which is the basis for the current Protocol is available at the "RTC-Registrar" branch of CJSC "Registrar-Svyaz" to the address: 5 Delegatskaya Street, Moscow, 127091, Russia.

### **The result of the ballot on the Agenda items:**

- 1. Approval of the Company's annual report, annual accounting statements, including profits and losses statement (profits and losses accounts) of the Company, and distribution of profits and losses upon the results of the reporting fiscal year (2001).**

The proposal put forward to the Shareholders meeting is to approve the Company's annual report, annual accounting statements, including profits and losses statement (profits and losses accounts) of the Company, and distribution of profits and losses upon the results of the reporting fiscal year (2001).

#### **Results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 99.82%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	833	628,292,984	99.76%
<b>Against</b>	13	180,314	0.03%
<b>Abstained</b>	34	215,312	0.03%

The General Shareholders meeting of OJSC Rostelecom **resolved:**

to approve the Company's annual report, annual accounting statements, including profits and losses statement (profits and losses accounts) of the Company, and distribution of profits and losses upon the results of the reporting fiscal year (2001).

- 2. Determination of the amount, forms and payment deadlines of dividends for 2001 with respect to shares of each category.**

Upon the results of operation of OJSC Rostelecom in 2001 the Board of Directors advises to pay dividends for 2001:

- on preferred shares in the amount of 0.9195237 Rubles per share (the aggregate payment on preferred shares to account for 10% of net profit);
- on common shares in the amount of 0.2144961 Rubles per share (the aggregate payment on common shares to account for 7% of net profit).

Dividends on common and preferred shares will be paid in monetary form from 1 August 2002 to the end of the fiscal year.

The right to vote on all matters at the meeting is granted to the OJSC Rostelecom shareholders holding common shares and registered in the register of shareholders of the Company as of 14 April 2002.

The procedure for the payment of dividends to each shareholder will be determined in accordance with the data contained in the register of shareholders, namely:

- by remittance to the bank accounts of shareholders;
- by mail transfer (less postage);
- by payment in cash by the Company cashiers (to Company employees only)”

#### **Results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 99.63%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	827	627,178,704	99.58%
<b>Against</b>	30	231,267	0.04%
<b>Abstained</b>	22	112,517	0.01%

The General Shareholders meeting of OJSC Rostelecom **resolved:**

Decided in accordance with the recommendations of the Board of Directors on the amount and the procedure for the payment of dividends: to pay dividends for 2001 on common shares in the amount of 0.2144961 Rubles per share. The aggregate payment on common shares to account for 7% of net profits.

Decided in accordance with the recommendations of the Board of Directors on the amount and the procedure for the payment of dividends: to pay dividends for 2001 on preferred shares in the amount of 0.9195237 Rubles per share. The aggregate payment on preferred shares to account for 10% of net profits.

Dividends on common and preferred shares will be paid in monetary form from 1 August 2002 to the end of the fiscal year. The procedure for the payment of dividends to each shareholder is determined in accordance with the data contained in the register of shareholders, namely:

- by remittance to the bank accounts of shareholders;
- by mail transfer (less postage);
- by payment in cash by the Company cashiers (to Company employees only).

### **3. Election of the Board of Directors of the Company.**

The following nominees were put forward for election to the Board of Directors:

1. Vadim Y. Belov, Deputy General Director, OJSC Svyazinvest;
2. Yury A. Bilibin, Assistant to the General Director, OJSC Svyazinvest;
3. Nikolay P. Yemelyanov, General Director, OJSC Novgorodetelecom;
4. Igor V. Zabolotny, Executive Director/Director, Marketing and Service Sales Department, OJSC Svyazinvest;
5. Sergei I. Kuznetsov, General Director, OJSC Rostelecom;
6. Alexander V. Lopatin, Deputy General Director, OJSC Svyazinvest;
7. Anton I. Osipchuk, First Deputy General Director, OJSC Svyazinvest;
8. Stanislav N. Panchenko, Deputy General Director, OJSC Svyazinvest;
9. Victor A. Polischuk, President, OJSC Russian Telecommunications Network;
10. Irina M. Ragozina, Director, Corporate Management Department, OJSC Svyazinvest;
11. Mikhail V. Slipenchuk, General Director, LLC “Metropol” Investment Finance Company;

12. Grigory M. Finger, authorized representative of Lindsell Enterprises Limited;

13. Valery N. Yashin, General Director , OJSC Svyazinvest.

**Results of the vote count:**

**Percentage of the voted shares out of the total number of shares, taking part in the vote 99.27%**

No	Nominee's No	Nominee's name	Number of votes	Percentage of the total number of participants in the Meeting
1	13	Valery N. Yashin	730,893,865	10.55%
2	5	Sergei I. Kuznetsov	659,342,559	9.52%
3	11	Mikhail V. Slipenchuk	656,985,967	9.48%
4	9	Victor A. Polischuk	642,975,941	9.28%
5	1	Vadim Y. Belov	628,399,850	9.07%
6	8	Stanislav N. Panchenko	627,478,590	9.06%
7	3	Nikolay P. Yemelyanov	627,426,788	9.06%
8	6	Alexander V. Lopatin	626,969,025	9.05%
9	10	Irina M. Ragozina	626,858,776	9.05%
10	7	Anton I. Osipchuk	626,637,352	9.04%
11	12	Grigory M. Finger	399,877,176	5.77%
12	4	Igor V. Zabolotny	12,479,797	0.18%
13	2	Yury A. Bilibin	11,478,557	0.17%

The General Shareholders meeting of OJSC Rostelecom **resolved:**

to approve election the following persons as members of the Board of Directors of the Company: Valery N. Yashin, Sergei I. Kuznetsov, Mikhail V. Slipenchuk, Victor A. Polischuk, Vadim Y. Belov, Stanislav N. Panchenko, Nikolay P. Yemelyanov, Alexander V. Lopatin, Irina M. Ragozina, Anton I. Osipchuk, Grigory M. Finger.

**4. Election of the Auditing Commission of the Company.**

**4.1. On the nominee of Konstantin V. Belyaev**

The proposal put forward to the Meeting is to elect Konstantin V. Belyaev, Chief accountant of OJSC Svyazinvest to the Auditing Commission of the Company.

**The results of the vote count:**

**Percentage of the voted shares out of the total number of shares, taking part in the vote 99.62%**

Result	Number of participants	Number of votes	Percentage of the total number of participants in the Meeting
<b>For</b>	720	624,879,699	99.24%
<b>Against</b>	69	1,681,056	0.27%
<b>Abstained</b>	63	675,574	0.11%

**4.2 On the nominee of Yury L. Vodopiyanov**

The proposal put forward to the Meeting is to elect Yury L. Vodopiyanov, Deputy General Director of LLC Metropol Investment Finance Company, to the Auditing Commission of the Company.

**The results of the vote count:**

**Percentage of the voted shares out of the total number of shares, taking part in the vote 99.56%**

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	619	103,156,137	16.38%
<b>Against</b>	129	522,470,199	82.98%
<b>Abstained</b>	87	1,280,654	0.20%

#### **4.3 On the nominee of Petr V. Mikhalevsky**

The proposal put forward to the Meeting is to elect Petr V. Mikhalevsky, Head of Corporate Management Department, OJSC Rostelecom, to the Auditing Commission of the Company.

##### **The results of the vote count:**

Percentage of the voted shares out of the total number of shares, taking part in the vote 99.57%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	727	104,713,054	16.63%
<b>Against</b>	68	521,632,510	82.84%
<b>Abstained</b>	55	628,887	0.10%

#### **4.4 On the nominee of Irina V. Prokofieva**

The proposal put forward to the Meeting is to elect Irina V. Prokofieva, Deputy Director, Head of Internal Audit and Economic Analysis OJSC Svyazinvest, to the Auditing Commission of the Company.

##### **The results of the vote count:**

Percentage of the voted shares out of the total number of shares, taking part in the vote 99.49%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	604	584,366,857	92.81%
<b>Against</b>	158	41,269,223	6.55%
<b>Abstained</b>	85	827,392	0.13%

#### **4.5 On the nominee of Irina A. Smirnova**

The proposal put forward to the Meeting is to elect Irina A. Smirnova, Deputy Chief Accountant, OJSC Rostelecom, to the Auditing Commission of the Company.

##### **The results of the vote count:**

Percentage of the voted shares out of the total number of shares, taking part in the vote 99.60%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	707	586,616,269	93.16%
<b>Against</b>	97	39,806,363	6.33%
<b>Abstained</b>	56	701,212	0.11%

The General Shareholders meeting of OJSC Rostelecom **resolved:** to elect the following persons as members of the Auditing Commission: Konstantin V. Belyaev, Irina V. Prokofieva, Irina A. Smirnova.

## 5. Approval of the external auditor of the Company for 2002.

The proposal put forward to the Meeting is to approve CJSC Ernst & Young Vneshaudit as the external auditor of the Company for 2002.

### The results of the vote count:

Percentage of the voted shares out of the total number of shares, taking part in the vote 99.62%

Result	Number of participants	Number of votes	Percentage of the total number of participants in the meeting
<b>For</b>	768	626,278,187	99.44%
<b>Against</b>	35	376,191	0.06%
<b>Abstained</b>	71	799,728	0.12%

The General Shareholders meeting of Rostelecom **resolved:** to approve CJSC Ernst and Young Vneshaudit as the external auditor of the Company for 2002.

## 6. Approval of the restated Company's Charter.

The restated version of the Company's Charter is put forward to the Shareholders meeting.

### The results of the vote count:

Percentage of the voted shares out of the total number of shares, taking part in the vote 99.62%

Result	Number of participants	Number of votes	Percentage of the total number of participants in the meeting
<b>For</b>	813	626,508,778	99.48%
<b>Against</b>	14	444,854	0.07%
<b>Abstained</b>	44	463,798	0.07%

The OJSC Rostelecom General Shareholders meeting **resolved:** to approve the restated version of the Company's Charter.

## 7. Approval of the restated Regulations on the General Meeting of Shareholders of OJSC Rostelecom.

The restated version of the Regulations on the OJSC Rostelecom General Meeting of Shareholders is put forward to the Shareholders meeting.

**The results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 99.62%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	824	626,756,592	99.51%
<b>Against</b>	15	303,580	0.05%
<b>Abstained</b>	39	359,568	0.06%

The OJSC Rostelecom General Shareholders meeting **resolved**: to approve the restated version of the Regulations on the OJSC Rostelecom General Meeting of Shareholders.

**8. Approval of the restated Regulations on the Board of Directors of OJSC Rostelecom.**

The restated version of the Regulations on the Board of Directors of OJSC Rostelecom is put forward to the Shareholders meeting.

**The results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 99.63%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	790	625,500,205	99.32%
<b>Against</b>	28	1,635,764	0.26%
<b>Abstained</b>	59	332,407	0.05%

The OJSC Rostelecom General Shareholders meeting **resolved**: to approve the restated version of the Regulations on the Board of Directors of OJSC Rostelecom.

**9. Amendments and additions to the Regulations on the Auditing Commission of OJSC Rostelecom.**

9.1.A proposal is put forward to the Shareholders meeting to introduce amendments and additions to the Regulations **on the Auditing Commission of OJSC Rostelecom**.

**Decided**: to restate Section 1.3 as follows: "The Auditing Commission is elected at the annual general meeting of shareholders in the manner provided for under applicable legislation and the Charter of the Company until the next annual general meeting of shareholders and consists of three (3) members."

**The results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 96.42%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	811	606,636,653	96.32%
<b>Against</b>	7	79,680	0.01%
<b>Abstained</b>	35	585,775	0.09%

9.2 The proposal put forward to the Meeting is to make amendments and additions to the Regulations on the Auditing Commission of OJSC Rostelecom.

**Decided:** to restate Section 7.4 as follows: "The members of the Auditing Commission of the Company shall be paid remuneration during the period they perform their duties. In order to pay remuneration to the members of the Auditing Commission, the Company shall establish a fund for the remuneration of the members of the Auditing Commission, to be formed by way of deducting three-tenths (0.3) of one percent of the Company's net profits remaining after the formation of the statutory funds. The amount of personal remuneration shall not exceed fifty percent (50%) of the average remuneration of a member of the Board of Directors determined on the basis of the total amount of remuneration to all the members of the Board of Directors and the numerical strength of the Board of Directors of the Company and shall be proposed by the Chairman of the Auditing Commission depending on the volume and intensity of the work performed by the members of the Auditing Commission. The decision on the amount of personal remuneration to a member of the Auditing Commission shall be made at a session of the Auditing Commission by a simple majority of votes of the Auditing Commission members present at the meeting. Remuneration shall not be paid to those members of the Auditing Commission who took no part in its work."

**The results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 96.42%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	653	604,374,725	95.96%
<b>Against</b>	95	2,110,156	0.33%
<b>Abstained</b>	95	803,479	0.13%

9.3 A proposal is put forward at the Shareholders meeting to introduce amendments and additions to the Regulations on the Auditing Commission of OJSC Rostelecom:

**Decided:** to add the following to Section 8.2: "The powers of a member of the Auditing Commission shall terminate in connection with his/her joining the Board of Directors, the Management Board, the liquidation commission or the tallying commission or being elected General Director of the Company. In such instances the powers of such member of the Auditing Commission shall terminate as of the date the authorized body of the Company decides on such election."

**The results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 96.42%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	801	606,604,682	96.32%
<b>Against</b>	10	82,080	0.01%
<b>Abstained</b>	37	587,941	0.09%

9.4 The proposal put forward at the Shareholders meeting is to introduce amendments and additions to the Regulations on the Auditing Commission of OJSC Rostelecom:

**Decided:** to replace the word "articles" with the word "norms" in Section 9.4.

**The results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 96,42%



<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	803	606,430,177	96.29%
<b>Against</b>	11	214,205	0.03%
<b>Abstained</b>	38	655,236	0.10%

The OJSC Rostelecom General Shareholders meeting **resolved**: to approve the proposed amendments and additions to the Regulations on the Auditing Commission of OJSC Rostelecom.

#### **10. Approval of the restated Regulations on the General Director of OJSC Rostelecom.**

The restated version of the Regulations on the General Director of OJSC Rostelecom is put forward to the Shareholders meeting.

##### **The results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 99.62%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	805	626,698,652	99.51%
<b>Against</b>	19	341,459	0.05%
<b>Abstained</b>	49	365,650	0.06%

The OJSC Rostelecom General Shareholders meeting resolved: to approve the restated version of the Regulations on the General Director of OJSC Rostelecom.

#### **11. Approval of the restated Regulations on the Management Board of OJSC Rostelecom.**

The restated version of the Regulations on the Management Board of OJSC Rostelecom is put forward to the Shareholders meeting.

##### **The results of the vote count:**

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 96.41%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	772	605,123,173	96.08%
<b>Against</b>	24	1,703,844	0.27%
<b>Abstained</b>	53	405,301	0.06%

The OJSC Rostelecom General Shareholders meeting resolved: to approve the restated version of the Regulations on the Management Board of OJSC Rostelecom.

## 12. Participation of the Company in the “Iskra” Association of Federal Business Service Network Operators.

An issue is put forward to the Shareholders meeting on participation of the Company in the “Iskra” Association of Federal Business Service Network Operators.

### The results of the vote count:

**Percentage** of the voted shares out of the total number of shares, taking part in the vote 99.78%

<b>Result</b>	<b>Number of participants</b>	<b>Number of votes</b>	<b>Percentage of the total number of participants in the meeting</b>
<b>For</b>	714	605,022,718	96.06%
<b>Against</b>	56	21,830,916	3.47%
<b>Abstained</b>	104	1,558,250	0.25%

The OJSC Rostelecom General Shareholders meeting resolved: on participation of the Company in the “Iskra” Association of Federal Business Service Network Operators.

Chairman of the Shareholders meeting

Valery N. Yashin

Secretary of the Shareholders Meeting

Boris A. Epinin