

Approved by the
Extraordinary General
Shareholders'
Meeting of "Southern
Telecommunications Company"
PJSC on January 21, 2003.
Minutes № of January 21,
2003

Chairman of the General
Shareholders' Meeting
_____ V.L. Gorbachev

STATUTE

On the Management Board

**Krasnodar
2003**

1. General clauses

- 1.1. Pursuant to the Civil Code of the Russian Federation, Federal law “On Joint Stock Companies” and the Charter of the Company the present Statute on the Management Board (hereinafter – the Statute) shall determine time and procedure of calling and conducting the meetings of the Management Board as well as the order of adopting resolutions.
- 1.2. The Management Board is the collective executive body of the Company exercising management of the current activity of the Company.

2. Business Objective and Principles of the Management Board

- 2.1. Business objective of the Management Board shall be provision of the effective functioning of the Company.
- 2.2. When realizing the business objective the Management Board shall be obliged to follow the principles stated below:
 - prompt approval of the most objective resolutions in the interests of the Company and its shareholders;
 - execution of the resolutions being approved by the General Shareholders’ Meeting and the Board of Directors in a timely, effective and professional manner.

3. Chairman of the Management Board

- 3.1. Person acting as individual executive organ of the Company shall at the same time act as the Chairman of the Management Board.
- 3.2. Chairman of the Management Board shall arrange conducting the meetings of the Management Board and preside there, sign all the documents on behalf of the Company and the Minutes of the meetings of the Management Board, act on behalf of the Company without power of attorney pursuant to the resolutions of the Management Board being approved within the terms of his reference.
- 3.3. Should the Chairman of the Management Board be absent, the person acting as General Director shall be entitled to call the meeting of the Management Board for prompt approval of resolutions on urgent issues, preside there and sign the Minutes of the meeting.

4. Secretary of the Management Board

4.1. Secretary of the Management Board shall be appointed by the members of the Management Board at their first meeting by the majority of votes of the Management Board members taking part in it;

4.2. Management Board shall have the right to release Secretary of the Management Board from his duties and appoint new Secretary of the Management Board.

4.3. Should the Secretary of the Management Board be absent, all his duties shall be performed by other person being approved by the majority of votes of the Management Board members taking part in the meeting.

4.4. Secretary of the Board of Directors shall have the right:

4.4.1. to require from the Company officials any information and documents necessary for preparation of materials on the agenda issues of the Management Board meetings;

4.4.2. to get remuneration and compensation of expenses related to execution of his functions of the Secretary of the Management Board in amount and in order set by the resolution of the Management Board;

4.5. Secretary of the Management Board shall have the responsibilities:

4.5.1. to take and keep minutes of the Management Board meetings;

4.5.2. to keep record of documents, to retain incoming documents and copies of outgoing documents of the Management Board;

4.5.3. to inform the members of the Management Board on the meetings of the Management Board in order and time set herein;

4.5.4. to mail materials necessary for consideration of the agenda issues of the Management Board meetings to the members of the Management Board in order and time set herein;

4.5.5. to execute other functions provided for by the present Statute.

5. Meeting of the Management Board

5.1. Meetings of the Management Board shall be held in the form of joint personal presence (including by conference-calls) or absentee voting (in absentia).

5.2. Meetings of the Management Board shall be held on a regular basis in accordance with schedule of work approved at the Management Board meeting. If needed the Management Board shall consider issues not included in the schedule of work.

5.3. Meeting of the Management Board shall be called by the Chairman of the Management Board on his own initiative or upon the request of a member of the Management Board of the Company.

5.4. Secretary of the Management Board shall inform the members of the Management Board on the meeting of the Management Board, its form, venue, time (when the meeting is to be held in the form of joint personal presence) and agenda no later than 5 (five) days before the date of the meeting.

Should the urgent issues be considered at the meeting of the Management Board, the aforementioned period may be shortened.

All necessary materials on the agenda issues shall be provided to the members of the Management Board at the same time with notification on the meeting.

5.5. Quorum of the meeting of the Management Board shall constitute half and more of the appointed members of the Management Board.

When the number of the members of the Management Board becomes less than the aforesaid quorum, the Company Board of Directors shall adopt the resolution on determining the quantitative membership of the Management Board and appointing its members.

5.6. Should the resolutions be adopted by the Management Board, the members of the Management Board present at the meeting shall express their opinion on the agenda issues by means of voting.

5.7. Should the member of the Management Board not be present at the meeting in person, or should the meeting be held by absentee voting, the member of the Management Board shall be obliged to express his opinion on the agenda issues in written form.

Should the written opinion of the member of the Management Board contain his voting instructions, his vote shall be taken into account when calculating the quorum and the voting results.

The member of the Management Board shall submit his written opinion before the opening of the meeting of the Management Board or before the deadline of receipt of written opinions of the Management Board members in case of the meeting being held by absentee voting.

The Chairman of the meeting shall be obliged to announce the written opinion of the member of the Management Board absent at the meeting before the beginning of voting on the agenda issue, opinion on which having been submitted.

5.8. Resolutions of the meeting of the Management Board shall be approved by the majority of votes of the members of the Management Board taking part in the meeting.

5.9. Each member of the Management Board shall be entitled to cast one vote when approving resolutions at the meeting of the Company's Management Board.

Member of the Management Board shall not be entitled to delegate his voting right to any other person including other member of the Management Board.

Should the members of the Management Board members cast equal number of votes in favor and against the resolution, the Chairman of the Management Board shall have the right of deciding vote.

5.10. Secretary of the Management Board shall keep minutes of the meeting of the Management Board.

Minutes of the Management Board shall be drawn up 3 (three) days after the meeting at the latest.

Minutes of the meeting shall include:

- Form of the meeting;
- Venue and time of the meeting held in the form of joint personal presence;
- Names of the persons taking part in the meeting;
- Form of participation of each member of the Management Board in the meeting held in the form of joint personal presence (in person, by conference-call, by submitting written opinion);
- Agenda of the meeting;
- Issues put to vote and the voting results;
- Adopted resolutions.

Minutes of the Management Board meeting shall be signed by the Chairman of the meeting and the Secretary of the Management Board.

The Company shall retain the Minutes of the Management Board meetings at the place of location of its executive organ in order and during the period of time set by the federal body on securities' market. Should the period of time be not determined, the Company shall retain the Minutes of the Management Board meetings for the unlimited period of time.

The Company shall be obliged to provide access to the Minutes of the Management Board meetings for the members of the Board of Directors, Auditing Commission, the Company Auditor as well as to the shareholders owning in the aggregate 25 percent and more of the voting shares of the Company.

6. Remuneration to the members of the Management Board and compensation of expenses associated with discharge of their duties

6.1. Members of the Management Board of the Company shall receive remuneration and compensation of expenses associated with discharge of their duties as the members of the Management Board.

6.2. Remuneration of the members of the Management Board shall be determined as percent of the Company net profit for the reporting quarter in accordance with the accounting reports of the Company and shall be paid quarterly.

6.3. Size of remuneration and its distribution among the members of the Management Board shall be determined by the resolution of the Board of Directors of the Company upon proposal of the Chairman of the Management Board.

6.4. Percent of deductions for calculation of the size of remuneration shall be determined by the resolution of the Board of Directors.

6.5. Members of the Management Board shall have the right to take part in optional programs of the Company.

7. Procedure of approving the Statute and making amendments into it.

7.1. The present Statute shall be approved at the General Shareholders' Meeting by the majority of votes of the shareholders – holders of the Company voting shares.

7.2. Amendments and supplements to the present Statute shall be approved at the General Shareholders' Meeting by the majority of votes of the shareholders – holders of the Company voting shares.

7.3. Should the changes of the legislation of the Russian Federation or the Company Charter result in contradiction with provisions set by the Articles of the present Statute, the Statute shall be valid in the part not contradicting the effective legal regulations and the Company Charter.