

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

# **Regulations**

**on the procedure for conducting the General Shareholders'  
Meeting of Public Joint Stock Company "Southern  
Telecommunications Company"**

**Krasnodar  
2002**

Pursuant to the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies” and the Charter of Public Joint Stock Company "Southern Telecommunications Company" (hereinafter – the Company) the present Regulations on the procedure for conducting the General Shareholders’ Meeting of Public Joint Stock Company "Southern Telecommunications Company" (hereinafter – the Regulations) shall determine procedure for conducting the General Shareholders’ Meeting and other issues relating to preparing and conducting the Company’s Annual and Extraordinary General Shareholders’ Meetings.

## 1. GENERAL SHAREHOLDERS’ MEETING: TYPES, FORMS AND DATES OF CONDUCTING

1.2. General Shareholders’ Meeting is the top governing body of the Company.

1.3. The Company shall be obliged to hold the Annual General Shareholders’ Meeting annually.

The following issues shall be settled at the Annual General Shareholders’ Meeting:

- Election of the Board of Directors of the Company,
- Election of the Auditing Commission of the Company,
- Approval of the Auditor of the Company,
- Approval of annual reports, balance sheets, income statements and allocations of profits and losses including dividend payment based on the results of a financial year.
- Other issues within the competence of the General Shareholders’ Meeting.

1.4. General Shareholders’ Meetings other than Annual shall be considered Extraordinary.

Extraordinary General Shareholders’ Meeting shall be convened upon the resolution of the Board of Directors, at the request of the Auditing Committee, the Company’s Auditor as well as of any shareholder or group of shareholders that owns 10 percent or more of the Company’s total number of voting shares as at the date of making the request, in order provided for hereby.

1.5. General Shareholders’ Meeting shall be held in the form of:

- Joint personal presence of shareholders for approval of the agenda issues put to vote,
- Absentee voting.

Should the agenda of the General Shareholders' Meeting include the issues on election of the Company Board of Directors, election of the members of the Company Auditing Commission, approval of the Company Auditor, approval of annual reports, balance sheets, income statements and allocations of profits and losses including dividend payment based on the results of a financial year, the General Shareholders' Meeting may not be held in the form of absentee voting.

1.6. Annual General Shareholders' Meeting shall be held no earlier than 4 (four) months and no later than 6 (six) months after the termination of the fiscal year.

1.7. Extraordinary General Shareholders' Meeting to be convened at the request of the Auditing Committee, the Company's Auditor as well as of any shareholder or group of shareholders that owns 10 percent or more of the Company's total number of voting shares shall be held within the 40-days period from the date of making the request on its calling.

1.8. Should the agenda of Extraordinary General Shareholders' Meeting to be convened at the request of the Auditing Committee, the Company's Auditor as well as of any shareholder or group of shareholders that owns 10 percent or more of the Company's total number of voting shares include the issue on election of the Board of Directors, the Extraordinary General Shareholders' Meeting shall be held within the 70-days period from the date of making the request on its calling.

1.9. Should the number of the Board of Directors members become less than the quorum sufficient for conducting the Board of Directors meetings, Extraordinary General Shareholders' Meeting to be convened pursuant to the resolution of the Company's Board of Directors for considering the issue on election of the Board of Directors shall be held within 70-days period from the date of adopting the resolution on its calling by the Board of Directors.

1.10. Except for the case specified by paragraph 1.9. hereof, Extraordinary General Shareholders' Meeting to be called upon resolution of the Company Board of Directors on its own initiative for consideration of the issues falling within the competence of the General Shareholders' Meeting including:

- Pre-term termination of powers of the Board of Directors of the Company and election of the members of the Board of Directors of the Company (when the number of the members of the Company Board of

Directors being no less than the quorum for conducting the meetings of the Company Board of Directors),

- Election of the Company Board of Directors ( when the Board of Directors being not elected for any reason),

shall be held at the date set by the Company Board of Directors in accordance with the effective legislation and the Company Charter.

## 2. PROCEDURES FOR MAKING PROPOSALS TO BE INCLUDED IN THE AGENDA OF THE ANNUAL GENERAL SHAREHOLDERS' MEETING AND NOMINATING CANDIDATES TO THE COMPANY'S BODIES ELECTED BY THE GENERAL SHAREHOLDERS' MEETING, MAKING REQUESTS ON CALLING THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING.

2.1. Proposals on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting, and the requests on calling the Extraordinary General Shareholders' Meeting shall be delivered:

by mail to the address (seat) of the personal executive organ of the Company contained in the Common State Register of Juridical Persons;

personally (provided that a signed acknowledgement of receipt is obtained) to the person acting as the Company's individual executive organ, Chairman of the Company Board of Directors, Corporate Secretary of the Company or any other person being authorized to receive the written correspondence addressed to the Company;

by facsimile transmission.

2.2. Proposal on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting shall include information stipulated by Article 53 of the Federal Law "On Joint Stock Companies". Request on calling the Extraordinary General Shareholders' Meeting shall include information provided by Article 55 of the Federal Law "On Joint Stock Companies". Proposal on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting being included into the request on calling the Extraordinary General Shareholders' Meeting shall follow the provisions set by Article 53 of the Federal Law "On Joint Stock Companies".

2.3. Proposals on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting, as well as the requests on calling the Extraordinary General Shareholders' Meeting

shall be considered received from the shareholders or their proxies who signed them.

- 2.4. Portion of voting shares owned by a shareholder (shareholders) making a proposal on the issue to be inserted in the agenda of the Annual General Shareholders' Meeting and/or nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting shall be determined as at the date of making such proposal.

Portion of voting shares owned by a shareholder (shareholders) requiring the calling of the Extraordinary General Shareholders' Meeting shall be determined as at the date of making such request.

- 2.5. Should the proposal on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting, as well as the requests on calling the Extraordinary General Shareholders' Meeting be signed by a shareholder's proxy, Power of Attorney (duly attested copy of the Power of Attorney) containing data on the shareholder and his proxy to be included into Power of Attorney for voting being executed pursuant to the requirements of the Federal Law "On Joint Stock Companies" on execution of a Power of Attorney for voting shall be attached to such proposal (request).

- 2.6. Should the proposal on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting, or the requests on calling the Extraordinary General Shareholders' Meeting be signed by a shareholder (a shareholder's proxy) whose rights for shares being registered in accordance with his deposit account at the Depositary, an abstract of his deposit account at the Depositary keeping register of the rights for the aforementioned shares shall be attached to such proposal (request).

- 2.7. When nominating the candidates to the Board of Directors and the Auditing Commission of the Company written consent of the nominated candidates and information on such candidates to be disclosed to shareholders entitled to take part in the General Shareholders' Meeting during the preparation of the General Shareholders' Meeting shall be attached to the proposal.

- 2.8. Should the proposal on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies elected by the General Shareholders' Meeting be send by mail, date at the postmark confirming the date of sending shall be considered the date of making the proposal.

Should the request on calling the Extraordinary General Shareholders' Meeting be send by non-registered letter or other non-registered mail, date at the postmark confirming the date of receiving shall be considered the date of

making the request. Should the request on calling the Extraordinary General Shareholders' Meeting be sent by registered letter or other registered mail, date of its delivery to the addressee (provided that a signed acknowledgement of receipt is obtained) shall be considered the date of making the request.

- 2.9. Should the proposal on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting, or the request on calling the Extraordinary General Shareholders' Meeting be delivered personally (provided that a signed acknowledgement of receipt is obtained), date of such delivery shall be considered the date of making the proposal or request.
- 2.10. Should the proposal on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting, or the request on calling the Extraordinary General Shareholders' Meeting be delivered by facsimile transmission, date of receiving the fax message by the Company as provided for hereafter shall be considered the date of making the proposal or request.

The fax message containing the proposal or request shall be sent to the Company's fax number and received by the Company during the business hours officially set at the principal office of the Company. Such fax message shall include name of the person sending the fax, date and time of its transmission and name of the person receiving the fax. The person sending the fax message shall be obliged to request confirmation of its reception, the person receiving the fax message shall be obliged to confirm its reception by sending a fax message by return.

- 2.11. The Board of Directors of the Company shall be obliged to consider the obtained proposals on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting and to adopt the resolutions in respect to such proposals no later than 5 (five) days after the deadline for making the proposals set by the Charter of the Company.

Should the proposals on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the Company's bodies to be elected by the General Shareholders' Meeting be received by the Company later than the set deadline, the Board of Directors shall consider such proposals as provided for by the effective legislation.

- 2.12. The proposals on the issues to be inserted in the agenda of the Annual General Shareholders' Meeting and on nominating candidates to the

Company's bodies to be elected by the General Shareholders' Meeting and the request on calling the Extraordinary General Shareholders' Meeting received by the Company may be withdrawn (called back) by the persons having made the proposals or requests. The withdrawal shall be delivered in any way provided for by paragraph 2.1. hereof. In respect thereto date of receiving the withdrawal shall be deemed the date of receiving the mail by the Company, the date of personal delivery or the date of receiving the facsimile message by the Company.

### 3. PREPARATION FOR CONDUCTING THE GENERAL SHAREHOLDERS' MEETING

3.1. When preparing the General Shareholders' Meeting the Board of Directors of the Company shall determine:

- Form of the General Shareholders' Meeting;
- Date, venue and time of the General Shareholders' Meeting as well as postal address for delivery of duly executed voting papers, in case the General Shareholders' Meeting being held by absentee voting – deadline of receiving the voting instruction cards and postal address for delivery of duly executed voting papers;
- Starting time of registration of the shareholders entitled to take part in the General Shareholders' Meeting;
- Record date (date of making list of the shareholders entitled to take part in the General Shareholders' Meeting);
- Agenda of the General Shareholders' Meeting;
- Type (types) of preferred shares granting their holders the right to vote on the agenda issues of the General Shareholders' Meeting;
- Procedure for informing the shareholders on the General Shareholders' Meeting;
- List of information and materials to be submitted to shareholders when preparing the General Shareholders' Meeting and order of their presentation.
- Form and wording of a voting instruction card.

3.2. Venue of the General Shareholders' Meeting shall be set at the place being the seat of the Company or any other locality in the territory of the Russian Federation being the seat of the Company's branch or representative office or at the place of location of closed joint stock company "Ozdorovitelny kompleks "Orbita" (posyolok Olginka, Tuapse region, Krasnodar Territory).

3.3. Number of agenda items of the General Shareholders' Meeting shall be taken into consideration when determining the time of the Meeting. Time of

conducting the General Shareholders' Meeting shall not be earlier than 9:00 a.m. and later than 10:00 p.m., local time.

- 3.4. Number of the shareholders being included in the list of shareholders entitled to take part in the General Shareholders' Meeting shall be taken into consideration when determining the starting time of registration of the shareholders entitled to take part in the General Shareholders' Meeting.
- 3.5. The Board of Directors of the Company shall have the right to combine two and more issues falling within the competence of the General Shareholders' Meeting into one agenda item.

Combination of the issues shall be permitted only when approval of the resolution on one of such issues being impossible without approval of the resolutions on other interrelated issues.

The following issues shall not be combined into one agenda item:

- Issues to be voted on by different groups of voting shareholders;
- Issues to be approved by different number of votes of shareholders – holders of voting shares entitled to take part in the General Shareholders' Meeting.

#### 4. NOTIFICATION OF THE GENERAL SHAREHOLDERS' MEETING

4.1. Notice of the General Shareholders' Meeting shall be made no later than 20 (twenty) days before its opening, and notice of the General Shareholders' Meeting with the issue on the Company's reorganization included in the agenda shall be made no later than 30 (thirty) days before its opening.

Should the proposed agenda of the Extraordinary General Shareholders' Meeting include the issue on election of the Company Board of Directors, notification on the Extraordinary General Shareholders' Meeting shall be made no later than 50 (fifty) days before its opening.

Notification of the General Shareholders' Meeting shall be made in the form prescribed by the effective legislation of the Russian Federation and the Company Charter and in order set by the Board of Directors of the Company.

4.2. The following information shall be included in the Notice of the General Shareholders' Meeting:

- Full registered name of the Company, seat of the Company;



- Form of the General Shareholders' Meeting (joint personal presence or in absentia);
- Date, venue and time of the General Shareholders' Meeting as well as postal address for delivery of duly executed voting papers, in case the General Shareholders' Meeting being held by absentee voting – deadline of receiving the voting instruction cards and postal address for delivery of duly executed voting papers;
- Starting time of registration of the shareholders entitled to take part in the General Shareholders' Meeting;
- Record date (date of making list of the shareholders entitled to take part in the General Shareholders' Meeting);
- Agenda of the General Shareholders' Meeting;
- Procedures for confirmation of their authority by the shareholders' proxies entitled to take part in the General Shareholders' Meeting;
- Procedures for familiarization with information and materials to be provided to the shareholders entitled to take part in the General Shareholders' Meeting when preparing the General Shareholders' Meeting and the address (addresses) where such persons may familiarize themselves with the materials (address (seat) of the personal executive organ of the Company and addresses of other places where the information (materials) is to be provided).

4.3. Should the agenda of the General Shareholders' Meeting include the items voting on which may result in occurrence of the right to require the repurchase of the shares by the Company, the Notice of the General Shareholders' Meeting shall include the following information in addition to the one set forth in paragraph 4.2. hereby:

- Availability of the right to require the repurchase by the Company of the shares owned by the shareholders – holders of voting shares, should they vote against the resolution or not vote on these items;
- Price of the shares and procedures for their repurchase.

4.4. Should the agenda of the General Shareholders' Meeting include the item on election of the Board of Directors of the Company, the Notice of the General Shareholders' Meeting shall include information on the procedure and date of nominating candidates to the Board of Directors of the Company by a shareholder (shareholders) owning in the aggregate 2 (two) and more of the Company's voting shares, in addition to the information set forth in paragraph 4.2. hereby.

4.5. In addition to the information set forth in paragraphs 4.2. – 4.4. hereby the Notice of the General Shareholders' Meeting may include other information on procedures for participation in the General Shareholders' Meeting.

5. QUORUM OF THE GENERAL SHAREHOLDERS' MEETING.  
REPEATED GENERAL SHAREHOLDERS' MEETING.

5.1. The General Shareholders' Meeting shall be deemed competent (having the quorum) if the shareholders owning over 50 (fifty) percent of the total number of the Company's registered voting shares take part in the Meeting.

Should the shareholders register their participation in the General Shareholders' Meeting or submit their voting instruction cards no later than 2 (two) days before the date of the General Shareholders' Meeting, they shall be deemed present at the General Shareholders' Meeting. The shareholders whose voting instruction cards being received before the deadline of receiving the voting papers shall be deemed present at the General Shareholders' Meeting convened in the form of absentee voting.

5.2. Should there be no quorum at the Annual General Shareholders' Meeting, the Company shall be obliged to hold another Annual General Shareholders' Meeting having the same agenda. Should there be no quorum at the Extraordinary General Shareholders' Meeting, the Company may hold another Extraordinary General Shareholders' Meeting having the same agenda.

Repeated General Shareholders' Meeting shall be deemed competent (having the quorum), should the shareholders owning over 30 (thirty) percent of the total number of the Company's registered voting shares take part in the Meeting.

Notice of Repeated General Shareholders' Meeting and voting papers shall be distributed to shareholders 20 (twenty) days before the date of the Repeated General Shareholders' Meeting at the latest.

Notice of the Repeated General Shareholders' Meeting having the agenda issue on the Company's reorganization shall be delivered to shareholders no later than 30 (thirty) days before the date of the Repeated General Shareholders' Meeting.

Should the Repeated General Shareholders' Meeting be held within the 40-days period after the failed General Shareholders' Meeting, the shareholders entitled to take part in the Meeting shall be determined in accordance with the list of shareholders having been entitled to participate in the failed General Shareholders' Meeting.

5.3. The Registrar of the Company acting as Counting Commission shall draw up the Protocol on the results of calculating the quorum for approving resolutions on the agenda items of the General Shareholders' Meeting and authorize the persons to sign the Protocol.

Should there be no quorum of the General Shareholders' Meeting, the Protocol on its calculation shall be drawn up no later than 15 (fifteen) days after the date of the General Shareholders' Meeting or the deadline for receiving voting instruction cards when the General Shareholders' Meeting being held by absentee voting.

Should there be no quorum of the General Shareholders' Meeting for its conducting, the Protocol on the calculation of quorum shall be drawn up no later than 15 (fifteen) days after the planned date of the failed General Shareholders' Meeting or the planned deadline for receiving voting instruction cards should the failed General Shareholders' Meeting be held by absentee voting.

## 6. GROUPS OF THE VOTING SHAREHOLDERS AT THE GENERAL SHAREHOLDERS' MEETING

6.1. Should the General Shareholders' Meeting's agenda include the issues to be voted on by different groups of voting shareholders, the quorum shall be calculated separately for each issue. Insufficient quorum for approving the resolution on the issue to be voted on by one group of shareholders shall not prevent from approving resolutions on the issues having the quorum to be voted on by other group of shareholders.

6.2. The issues within the competence of the General Shareholders' Meeting to be voted on by different groups of voting shareholders shall be the following:

- 1) election of the members of the Auditing Commission and pre-term termination of their powers;
- 2) approval of the transactions if there is a self-interest in such transactions;
- 3) release of a person who on his own or together with his affiliated persons acquired 30 (thirty) and more percent of the Company's registered common shares from obligations to purchase shares from other Company's shareholders;
- 4) reorganization of the Company;
- 5) liquidation of the Company, appointment of the liquidation commission and approval of interim and final liquidation balances;
- 6) introduction of amendments and supplements into the Company's Charter restricting the rights of the shareholders- holders of the preferred stock of the specified type including the cases of determining or increasing the size of the dividend and (or) determining or increasing the liquidation value to be paid under preferred stock of the preceding priority as well as granting priority in payment of dividends and (or) liquidation value of the shares to the shareholders – holders of the preferred stock of the specified type.

6.3. Shareholders of the Company – holders of the shares granting the voting right on all the issues within the competence of the General Shareholders' Meeting except for the members of the Board of Directors of the Company or the persons holding the positions in the governing bodies of the Company shall have the right to vote on the issue specified in subparagraph 1 of paragraph 6.2. herein.

Shareholders of the Company – holders of the shares, granting the voting right on all the issues within the competence of the General Shareholders' Meeting, having no self-interest in transactions shall have the right to vote on the issue specified in subparagraph 2 of paragraph 6.2. herein.

Shareholders of the Company – holders of the shares granting the voting right on all the issues within the competence of the General Shareholders' Meeting except for the person (and his affiliated persons) having on his own acquired 30 (thirty) and more percent of the Company's registered common shares shall have the right to vote on the issue specified in subparagraph 3 of paragraph 6.2. herein.

Shareholders of the Company – holders of the common shares of the Company and holders of the preferred shares of any type shall have the right to vote at the General Shareholders' Meeting on the issues specified in subparagraphs 4, 5 of paragraph 6.2. herein.

Shareholders of the Company – holders of the shares granting the voting right on all the issues within the competence of the General Shareholders' Meeting and holders of the preferred shares of the Company of any type whose rights being limited shall have the right to vote on the issue specified in subparagraph 6 of paragraph 6.2. herein.

## 7. ORGANS BEING FORMED FOR CONDUCTING THE GENERAL SHAREHOLDERS' MEETING

7.1. Chairman of the General Shareholders' Meeting shall be the person as provided for by the Charter of the Company. Chairman of the General Shareholders' Meeting shall preside over the Meeting, in connection thereto:

- 1) declare the Meeting open and closed,
- 2) announce the reporters on the agenda items,
- 3) control the process of discussing the agenda items,
- 4) execute other functions provided for hereby.

7.2. Presidium of the General Shareholders' Meeting may be formed upon resolution of the Chairman of the General Shareholders' Meeting to take part in

conducting the General Shareholders' Meeting held in the form of joint personal presence.

Chairman and the members of the Presidium of the General Shareholders' Meeting shall exercise joint conducting of the Meeting and execute functions provided by subparagraphs 1 – 3 of paragraph 7.1. hereof.

7.3. Should the person acting as the Chairman of the General Shareholders' Meeting pursuant to the provisions of the Charter of the Company be absent from the Extraordinary General Shareholders' Meeting held upon the resolution of the bodies and persons having the right to require the calling of the Extraordinary General Shareholders' Meeting, the person having adopted the resolution on calling the Extraordinary General Shareholders' Meeting (his proxy) or, in case the resolution on calling the Extraordinary General Shareholders' Meeting having been adopted by several persons or members of a collective body, one of such persons elected by them shall be the Chairman of the General Shareholders' Meeting.

7.4. Secretary (Secretariat) of the General Shareholders' Meeting shall be appointed by the Chairman of the General Shareholders' Meeting to keep the Minutes of the Meeting.

7.5. Should Corporate Secretary of the Company be appointed, the following duties of the Secretary of the General Shareholders' Meeting shall be performed by Corporate Secretary of the Company:

- 1) making all necessary arrangements for preparing and conducting the General Shareholders' Meeting pursuant to the requirements of the legislation, Charter and other internal documents of the Company on the basis of resolution on conducting the General Shareholders' Meeting being approved by the Board of Directors of the Company or other bodies and persons pursuant to the requirements of the applied legislation and the Company Charter;
- 2) preparation of the instructions for the Registrar of the Company on making a list of persons having the right to receive share dividend;
- 3) preparation of materials to be provided to shareholders before the General Shareholders' Meeting, provision of free access to them, provision of attested copies of the respective documents to the persons entitled to take part in the General Shareholders' Meeting at their request;
- 4) notification of all members of the governing and supervising bodies of the Company on the General Shareholders' Meeting;
- 5) collection of the filled voting instruction cards received by the Company at the addresses set for this purpose and their timely transfer to the Registrar of the Company acting as the Counting Commission;

- 6) answering the questions of the participants of the General Shareholders' Meeting on the procedure for its conducting relating to the present Regulations and the requirements of the applied legislation as well as taking measures on settlement of conflicts in relation to the procedure for preparing and conducting the General Shareholders' Meeting;
- 7) arrangement of keeping the Minutes of the General Shareholders' Meeting.

Should the Corporate Secretary not be appointed or present at the General Shareholders' Meeting or at the moment of its preparation, the aforementioned functions shall be executed by the Secretary of the Meeting and/or other persons of the Company.

7.6. Registrar of the Company shall act as the Counting Commission of the Company. In respect with thereto Registrar of the Company shall check the authority and register the participants of the General Shareholders' Meeting, calculate the quorum of the General Shareholders' Meeting, clarify the questions to the shareholders (their proxies) on exercising their right to vote at the General Shareholders' Meeting, explain the voting procedure on the issues put to vote, ensure the established voting procedure and the right of shareholders to take part in voting, calculate the votes and voting results, hand over the voting papers to the archives for their retention, execute other functions as provided for herein.

When acting as the Counting Commission the Registrar of the Company shall be entitled to:

- keep the registers in any form at its own discretion;
- determine the forms of the Protocols at its own discretion taking into account the requirements of the effective legislation and the present Regulations.

## 8. PROCEDURES FOR CONDUCTING THE GENERAL SHAREHOLDERS' MEETING AND VOTING ON THE AGENDA ISSUES OF THE GENERAL SHAREHOLDERS' MEETING HELD IN THE FORM OF JOINT PERSONAL PRESENCE OF SHAREHOLDERS FOR DISCUSSION OF THE AGENDA ITEMS AND APPROVAL OF THE RESOLUTIONS ON THE ISSUES PUT TO VOTE

- 8.1. Shareholders (their proxies) being included in the list of persons entitled to take part in the General Shareholders' Meeting except for the persons (their proxies) whose voting papers being received no later than two days before the date of the General Shareholders' Meeting shall be registered for participation in the General Shareholders' Meeting.

Should the Company or the Registrar acting as the Counting Commission receive notice on replacement (recall) of the proxy before the registration of such proxy for participation in the General Shareholders' Meeting, the person entitled to take part in the General Shareholders' Meeting (including the new proxy acting under the Power of Attorney for voting) shall be registered for participation in the General Shareholders' Meeting.

Shareholders (their proxies) entitled to take part in the General Shareholders' Meeting whose voting papers being received no later than two days before the date of the General Shareholders' Meeting shall have the right to be present at the General Shareholders' Meeting.

8.2. The General Shareholders' Meeting held in the form of joint personal presence shall be opened, should there be a quorum for voting on at least one of the agenda issues of the General Shareholders' Meeting. Should the shareholders entitled to take part in the General Shareholders' Meeting not be registered for participation in the General Shareholders' Meeting before its opening, such registration shall be terminated at the end of consideration of the last agenda issue having the quorum.

8.2. Should there be no quorum for voting on any of the agenda issues of the General Shareholders' Meeting before its opening, the Registrar acting as the Counting Commission shall inform the Chairman of the General Shareholders' Meeting about it. The Chairman of the Meeting shall take a decision on the postponement of the opening of the General Shareholders' Meeting. The opening of the General Shareholders' Meeting shall not be postponed for more than 2 (two) hours.

When the opening of the General Shareholders' Meeting being postponed, the Minutes of the General Shareholders' Meeting shall indicate the actual time of the opening of the General Shareholders' Meeting.

8.4. The issues at the General Shareholders' Meeting shall be considered in order determined by the approved agenda. Order of reviewing the agenda items may be changed by the Chairman of the General Shareholders' Meeting.

8.5. Debate on the agenda issues of the General Shareholders' Meeting shall consist in presenting information on the agenda items to the persons taking part in the General Shareholders' Meeting and giving explanations (in case of necessity) on all agenda items and the presented information.

Debate on the agenda items shall be conducted in order as provided for by paragraphs 8.6. – 8.9. herein.

8.6. Information of the agenda issue under consideration shall be presented to the participants of the General Shareholders' Meeting in the form of reports by:

- Reporters appointed by the Chairman of the Meeting;
- Persons (their proxies) participating in the General Shareholders' Meeting having announced their intention to present additional information on the agenda items. Such applications shall be forwarded to the Chairman of the General Shareholders' Meeting in written form before the beginning of the debate on the corresponding agenda issue. The application shall include name of the person, wording of the agenda item under consideration, time necessary for the report, number of votes owned by the person that may be cast on the agenda item under consideration.

8.7. Any person (his proxy) taking part in the Meeting shall have the right to apply to the Chairman of the Meeting, members of the Presidium of the Meeting and the person (persons) who presented the information for explanations on any agenda item or any presented information. Such applications shall be forwarded to the Chairman of the General Shareholders' Meeting in written form before the beginning of the debate on the next agenda issue. The application shall include name of the person participating in the General Shareholders' Meeting, number of votes owned by the person that may be cast on the agenda item under consideration.

Any duly executed written application shall be considered at the Meeting.

Should the Chairman of the Meeting, members of the Presidium or reporter (reporters) find it impossible to give full explanations straight away, or should the person (his proxy) participating in the General Shareholders' Meeting require explanations on the item to be given in written form, such written explanations shall be forwarded to the aforementioned person no later than 10 (ten) days after the date of the General Shareholders' Meeting. Written explanations shall be given in case the application being duly executed as provided by the first paragraph herein.

8.8. Chairman of the Meeting shall set amount of time for making reports on the agenda items of the General Shareholders' Meeting and giving explanations on the received applications. In this connection:

- Report of the reporter appointed by the Chairman of the Meeting shall take no less than 10 (ten) minutes and no more than 45 (forty-five) minutes;
- Report of the person (his proxy) taking part in the Meeting on additional information on the agenda item shall take no less than 5 (five) minutes;
- Explanations given in connection with the received application shall take no less than 10 (ten) minutes.



Reporters may use less time for their reports than the one set by the Chairman of the Meeting.

The Chairman of the Meeting shall not have the right to comment on reports and to interrupt reporters except when they violate the procedures for conducting the Meeting as provided for hereby.

8.9. Chairman of the Meeting shall determine the need of breaks at the General Shareholders' Meeting and their duration.

The break at the General Shareholders' Meeting shall not be announced during the debates on the agenda item.

8.10. Persons (their proxies) registered for participation in the General Shareholders' Meeting shall have the opportunity to vote on the agenda items at any time from the opening of the Meeting and to the deadline for voting set in paragraph 8.11. hereof and beginning of calculation of voting results on the agenda items of the General Shareholders' Meeting.

8.11. Chairman of the Meeting shall give additional time of no less than 30 (thirty) minutes to vote on the agenda issues after the discussion of the last agenda issue of the General Shareholders' Meeting having the quorum.

8.12. Voting results and the resolutions approved by the General Shareholders' Meeting shall be

1) announced at the General Shareholders' Meeting

or

2) brought to the notice of the persons entitled to take part in the General Shareholders' Meeting in accordance with established order.

8.13. General Shareholders' Meeting shall be closed

1) when all the resolutions approved by the General Shareholders' Meeting and voting results in case provided for by subparagraph 1 of paragraph 8.12. hereof being announced,

or

2) when the time for voting on the agenda items according to paragraph 8.11 hereof being expired, in case specified by subparagraph 2 of paragraph 8.12 hereof.

The General Shareholders' Meeting having at the moment of its opening the quorum only on several agenda items shall not be closed, should the registration

of the persons before the deadline of registration secure the quorum for adopting resolutions on the remaining agenda items of the General Shareholders' Meeting.

## 9. VOTING PAPER AT THE GENERAL SHAREHOLDERS' MEETING

9.1. Voting on the agenda items of the General Shareholders' Meeting shall be realized by voting papers (cards) only.

Voting papers shall be handed over personally (provided that a signed acknowledgement of receipt is obtained) to every person included in the list of persons entitled to take part in the General Shareholders' Meeting no later than 20 (twenty) days before the date of the General Shareholders' Meeting. Voting papers shall be delivered by registered letter.

Should the voting papers of the persons being registered for participation in the General Shareholders' Meeting held in the form of joint personal presence be not received by the Company or received later than two days before the date of the General Shareholders' Meeting, only the voting papers with a mark of repeated issue shall be given to such persons.

Should at the General Shareholders' Meeting held in the form of joint personal presence the Company or the Registrar acting as the Counting Commission receive notice on replacement (recall) of the proxy before the registration of such proxy for participation in the General Shareholders' Meeting, the person entitled to take part in the General Shareholders' Meeting (including the new proxy acting under Power of Attorney for voting) shall be given voting papers.

9.2. A voting paper (card) shall include:

- Full registered name of the Company, seat of the Company;
- Form of the General Shareholders' Meeting (joint personal presence or in absentia);
- Date, venue and time of the General Shareholders' Meeting as well as postal address for delivery of duly executed voting papers, in case the General Shareholders' Meeting being held by absentee voting – deadline of receiving the voting instruction cards and postal address for delivery of duly executed voting papers;
- Texts of the resolutions on every issue (name of each candidate) to be voted on by the present voting paper;
- Variants of voting on each agenda issue expressed in the words "in favor", "against" or "abstained", and in case of cumulative voting on election of the members of the Board of Directors – a special place for

filling in the number of votes cast in favor of each candidate by the person taking part in the General Shareholders' Meeting;

- Indication that the members of the Board of Directors are to be elected by cumulative voting and explanation of the essence of cumulative voting;
- Reminder that the voting instruction card shall be signed by a shareholder;
- Other information as provided for by the effective legislation.

In addition to the aforementioned a voting paper may include:

- Wording of each issue put to vote and the order (priority) of its consideration;
- Manner of marking the selected variant of voting;
- First name, second name and surname of the person entitled to take part in the General Shareholders' Meeting;
- Number of votes owned by the person entitled to take part in the General Shareholders' Meeting that may be cast on each agenda issue of the General Shareholders' Meeting;
- Other information specified by the Board of Directors of the Company.

The voting paper shall not include two and more agenda issues of the General Shareholders' Meeting, should the voting on these issues be realized by different composition of voting shareholders.

9.3. The following voting papers shall be declared invalid:

- 1) the voting papers containing more than one variants of voting;
- 2) the voting papers received by the Company and signed by a shareholder's proxy under the Power of Attorney for voting, should the Company or the Registrar acting as the Counting Commission receive notice on replacement (recall) of the aforementioned proxy no later than 2 (two) days before the date of the General Shareholders' Meeting;
- 3) should there be found two or more filled voting papers of the same shareholder containing different variants of voting on one and the same agenda item of the General Shareholders' Meeting;
- 4) the voting paper on election the members of the Auditing Commission of the Company, should the variant of voting "in favor" be marked for more candidates than the number of the members of the Auditing Commission of the Company to be elected;

5) the voting paper on appointment of the personal executive body of the Company, should the variant of voting “in favor” be marked for more than one candidate;

9.4. Should the voting paper include several issues put to vote and be declared invalid in respect to one or more issues, such voting paper shall not be declared invalid on the whole.

9.5. The votes represented by the voting paper being declared invalid in relation to one, several or all the issues to be voted on by the present voting paper shall not be taken into account when collecting the voting results on the issues in relation to which this voting paper is declared invalid.

Should the voting paper be declared invalid in relation to one, several or all the issues to be voted on by the present voting paper, the votes of the aforementioned voting paper shall not be excluded when calculating the quorum of the General Shareholders’ Meeting.

## 10. EXPENSES RELATING TO PREPARING AND CONDUCTING THE GENERAL SHAREHOLDERS’ MEETING

10.1. List of expenses relating to preparing and conducting Annual General Shareholders’ Meeting and Extraordinary General Shareholders’ Meeting to be held pursuant to the resolution of the Board of Directors of the Company on its own initiative, at the request of the Auditing Commission of the Company, the Auditor of the Company as well as shareholders (shareholder) owning 10 (ten) and more percent of the Company’s voting shares as at the date of making the request shall be worked out and approved by the Management Board of the Company.

10.2. Should (i) the Board of Directors of the Company not adopt the resolution on calling the Extraordinary General Shareholders’ Meeting or adopt the resolution on refusal to call the Extraordinary General Shareholders’ Meeting and (ii) the Extraordinary General Shareholders’ Meeting be convened by the bodies and persons requiring its calling and (iii) the General Shareholders’ Meeting adopt the resolution on reimbursement of costs relating to preparing and conducting the Extraordinary General Shareholders’ Meeting at the expense of the Company, only the expenses incurred by the bodies and persons being authorized to call and conduct the Extraordinary General Shareholders’ Meeting and having documentary witness shall be subject to reimbursement.

## 11. PROCEDURE FOR APPROVING THE REGULATIONS AND INTRODUCING AMENDMENTS AND SUPPLEMENTS INTO IT

- 11.1. The present Regulations shall be approved at the General Shareholders' Meeting by the majority of votes of the shareholders – holders of the Company voting shares.
- 11.2. Amendments and supplements to the present Regulations shall be approved at the General Shareholders' Meeting by the majority of votes of the shareholders – holders of the Company voting shares.
- 11.3. 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 Regulations, the Regulations shall be valid in the part not contradicting the effective legislation and the Company Charter.