

Registered on " \_\_\_\_\_ " \_\_\_\_\_ 2004  
state registration number

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***Federal service on financial markets***

\_\_\_\_\_  
(name of registration authority)

\_\_\_\_\_  
(signature of authorized person)

(seal of registration authority)

## **DECISION ON BOND ISSUE**

***Public Joint-Stock Company***

***"Southern Telecommunications Company"***

***series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with  
mandatory centralized custody  
total amount - 3 500 000 bonds with face value of 1000 rubles each***

***total par value – 3 500 000 000 (three billion five hundred million) rubles  
the maturity date - 1, 830<sup>th</sup> (the one thousand eight hundred and thirtieth) day from the  
starting date of the bond placement by public offering.***

approved by "UTK" PJSC Board of Directors  
on June 28, 2004 Minutes № 49 of 28.06.2004

based on the Resolution of "UTK" PJSC Board of Directors on the Bond placement  
on June 28, 2004 Minutes № 49 of 28.06.2004

Seat of the company: 66, Karasunskaya Str., Krasnodar 350000

Postal address: 66, Karasunskaya Str., Krasnodar 350000

Phone: (8612) 53-20-56, 53-02-07

Fax: (8612) 53-19-69

"UTK" PJSC General Director (CEO) \_\_\_\_\_ I. F. Ignatenko

June 28, 2004

Seal

**The bond issue is underwritten by a third party in accordance with conditions specified hereinafter**

Underwriting agent:

**Company with Limited Liability "UTK-Finance"**

Director of Company with Limited Liability "UTK-Finance" \_\_\_\_\_ I.I. Ignatenko

June 28, 2004

Seal

### **1. Kind, category (type), series of securities.**

Kind of securities: *bonds*

Series: *03*

Type: *interest-bearing*

Full name of the bond issue: *series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody*

### **2. Form of the bonds.**

*certificated*

### **3. Information on mandatory centralized custody.**

*The bond issue is subject to mandatory centralized custody.*

#### **Depository:**

Full registered name: *Non-commercial partnership "National Depository Center"*

Abbreviated name: *NDC*

Headquarters: *building 4, 1/13, Sredniy Kislovskiy pereulok, Moscow, 125009*

INN: *7706131216*

Phone: *(095) 232-05-27*

License number: *177-03431-000100*

Date of license registration: *4.12.2000*

Valid till: *unlimited*

Registration authority: *FCSM of Russia*

*Series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody are jointly referred to hereinafter as "Bonds" or "Bonds of the issue" and separately – as "Bond" or "Bond of the issue".*

The bond issue is certified by a single Certification subject to mandatory centralized custody in the Non-commercial partnership "National Depository Center" (hereinafter referred to as "NDC" or "Depository").

*Form of the Certification is enclosed in the Exhibit to the present Decision on bond issue and Prospectus on the Bond Issue.*

*The Certification cannot be handed to Owners of the Bonds. The Bond Owners are not entitled to demand the Certification be handed to them.*

*Rights on the Bonds and on the Bonds transfer including burden them with obligations are being registered and certified by Non-commercial partnership "National Depository Center" acting as Depository and other depositories being depositors of the Depository (hereinafter jointly referred to as the "Depositories").*

*Rights on the Bonds are being certified by abstracts of depository accounts given by NDC and depositories being depositors of NDC to the Holders of Bonds.*

*Rights on Bonds are considered transferred from the moment of entering by the Depository or the depositories being depositors of NDC corresponding record under the depository account of the purchaser.*

*Bonds are to be written off the deposit accounts of the Depository after repayment of all Bonds at execution by the Issuer of the obligations on payment of the coupon income and the Bond face value.*

*The Certificate shall be cancelled after write-off of all Bonds from accounts of depot of owners and Holders of Bonds in the Depository.*

*The order of recording and transferring the rights on documentary securities with the mandatory centralized custody is regulated by the Federal law № 39-FZ "On Securities Market" of April 22, 1996, regulatory documents of the Federal Commission for Securities Market of Russia and internal documents of the Depositories.*

*Pursuant to the Law " On Securities Market ":*

*In case of custody of certificates of pay-to-bearer documentary securities and-or registration of the rights on such securities in the Depository, the right on pay-to-bearer documentary security shall pass to the purchaser at the moment of making entering record in the account of depot of the purchaser. The rights granted by securities pass to their purchaser from the moment of transition of the rights on these securities.*

*In case of custody of certificates of pay-to-bearer documentary securities in Depositories, the rights granted by securities, shall be exercised on the basis of certificates presented by these Depositories on behalf of the owners, the list of such owners being enclosed. In such case the Issuer ensures exercise of the rights on pay-to-bearer documentary securities to the person specified in this list.*

*Should the data on the new owner of such security not been presented to the holder of the register of the given issue or the nominal holder of the security by the moment of closing the register for execution of the Issuer's obligations (including acquisition of income and others), execution of obligations in relation to the owner registered in the register at the moment of its closing shall be declared appropriate. The purchaser of the security bears the responsibility for the timely notification.*

*According to Regulations on depository activity in the Russian Federation, approved by the Decision of the Federal Commission for Securities Market № 36 of October, 16, 1997:*

*Depository is obliged to provide custody of securities and (or) registration of rights on securities of each client (depositor) separately from securities of other clients (depositors) of the Depository, in particular, by opening of the separate account of depot for each client (depositor).*

*Records made by the Depository in relation to the rights on securities shall certify the rights on securities if not established otherwise judicially.*

*Depository is obliged to make transactions with securities of clients (depositors) only on behalf of these clients (depositors) or the persons authorized by them, including trustees of accounts, and in time, established by the Deposit Agreement. Depository is obliged to make records under the account of depot of the client (depositor) only at presence of the documents giving grounds for making such records in accordance with the Regulations on depository activity, other normative legal acts and the Deposit Agreement.*

*The grounds for making records under the account of depot of the client (depositor) are the following:*

- order of the client (depositor) or the person authorized by him, including the trustee of the account, meeting the requirements stipulated in the Deposit Agreement;*
- if lapse of the right on securities is not a result of civil-law transactions - documents confirming transfer of the rights on securities according to the effective legislation.*

*Depository is obliged to register the facts of burden of the securities with a pledge as well as other rights of the third parties in the order stipulated by the Deposit Agreement.*

*Rights on securities which are registered by the Depository are deemed transferred from the moment of making the corresponding record in the account of depot of the client (depositor) by the Depository. However, if there is no such record in the account of depot, the interested person shall be entitled to prove his rights on the securities on the basis of other proofs.*

*In case of change of the current legislation and-or regulatory documents of the Federal Commission on Securities Market the procedure for record and transfer of the rights on the Bonds will be regulated taking into consideration new requirements of the applied legislation and-or regulatory documents of the Federal Commission on Securities Market.*

#### **4. Face value of each Bond of the issue.**

*1,000 (one thousand) rubles*

## **5. Number of the bonds of the issue**

**3, 500, 000 (three million five hundred thousand) bonds**

*The bond issue is not supposed to be placed by tranches.*

## **6. Total number of the bonds of the issue that have already been placed**

*The bonds of the issue have not been placed previously.*

## **7. Rights granted by each security of the issue to their owners:**

*The Bonds represent direct and pure obligations of "Southern Telecommunications Company" PJSC (hereinafter referred to as "Issuer").*

*1. A Bond holder is entitled to get the face value of the Bond when the Bond is retired.*

*2. A Bond holder is entitled to get the interest of the Bond face value (coupon yield) after completion of each coupon period.*

*3. In case of non-fulfillment by the Issuer of obligations under Bonds or delay in their fulfillment (including a default, a technical default according to item 9.7. and item 12.2. of the Decision on bond issue and item 9.1.2. e) and item 9.1.2. 3) of the Prospectus on the bond issue) security in the form of underwriting is to be provided. The Underwriter carries liability before Bond owners under obligations of the Issuer to pay total par value of the Bonds amounting to 3.5 (three and a half) billion rubles and the cumulative coupon income under Bonds.*

*The owner of Bonds is entitled to make claims to the company with limited liability "UTK-Finance" in accordance with the conditions of underwriting specified in item 12.2. of the Decision on bond issue and item 9.1.2. z) of the Prospectus on the bond issue. Rights on the Bond are transferred to the new owner (purchaser) together with all rights provided by the Underwriter.*

*4. A Bond Owner is entitled to get back his investments in case the bond issue is declared ineffective or invalid.*

*5. A Bond holder is entitled to demand repayment of Bonds by the Issuer in cases and on terms specified by the Decision on the bond issue and the Prospectus on Bonds.*

*6. A Bond holder is entitled to exercise other rights provided for by the laws of the Russian Federation.*

## **8. Conditions and Procedure of the bond placement.**

### **8.1. Form of the bond placement.**

*Public offering*

### **8.2. Terms of the bond placement.**

Starting date of the placement, or the procedure of its determination:

*The placement of Bonds shall be launched not earlier than two weeks after the disclosure of information on the state registration of the bond issue and provision easy access to the information on the bond issue to be made public in accordance with the Federal law "On Joint –Stock Companies" and other applicable acts of FCSM of Russia to all potential buyers of Bonds in order specified in item 11 of the Decision on bond issue and item 2.9. of the Prospectus on the bond issue.*

*The specified two-week period shall be reckoned from the publication of the notification in the newspaper "Vedomosti" or "Izvestiya":*

*Starting date of the Bond placement shall be established by the Issuer after the state registration of the bond issue and brought to the notice of potential buyers of Bonds in the following time:*

- not later than 5 (five) business days prior to the starting date of the placement through publication in the news tapes of the news agencies "Interfax" and "AK&M";*
- not later than 4 business days prior to the starting date of the placement through publication on the Internet site <http://www.stcompany.ru>*

Expiry date of the placement, or the procedure of its determination:

**Expiry date of the bond placement is one of the following dates that comes first: a) date of the placement of the last Bond of the issue; or b) 10-th (tenth) business day after the starting day of the bond placement.**

### **8.3. Procedure of the bond placement**

Procedure and conditions of the conclusion of transactions (procedure and conditions of submission and satisfaction of orders):

**During the bond placement transactions will be concluded on the conditions of negotiable transactions in the Stock Market Section of Private Joint –Stock Company “Moscow Interbank Currency Stock Exchange ” (hereinafter referred to as MICEX) by satisfying target orders for purchase/sale submitted to the Trading and clearing Systems of MICEX.**

**The bonds shall be placed through conclusion of transactions of purchase and sale at the bonds’ face value (starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds calculated in accordance with the Decision on bond issue and the Prospectus on the bond issue).**

**The conclusion of transactions on the Bond placement shall begin after the Auction on determination of the first coupon interest rate and end on the expiry date of the Bond placement.**

**Obligatory condition of Bonds acquisition at their placement is reservation of money resources of the buyer on the account of the Member of the stock market Section on behalf of which the order has been sent, in the MICEX Clearing house. The amount of the reserved money resource should be sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee. The potential buyer of Bonds should also open the account of depot in NDC or Depository, being the depositor in relation to NDC.**

**The sold Bonds are to be transferred by the Depository to the accounts of depot of the bond buyers on the date of conclusion of the transactions.**

Conditions and procedure for the bond issue placement:

**The Bonds placement is performed by the conclusion of transactions of sale and purchase of Bonds in the MICEX Stock market Section through Trading and clearing Systems of MICEX in compliance with the Securities Trading Rules of MICEX effective as at the bond placement date.**

**Underwriter acts as an intermediary at the Bonds placement on behalf and at the expense of the Issuer.**

**Data on the organizer of trade in the equity market:**

Full registered name: **Closed joint-stock company "Moscow Interbank Currency Exchange"**

Abbreviated registered name: **CJSC "Moscow Interbank Currency Exchange" /MICEX.**

Location: **13, Bolshoi Kislovskiy per., Moscow**

Postal address: **13, Bolshoi Kislovskiy per., Moscow, 125009, the Russian Federation**

License №: **077-05870-000001 for professional activity on organization of trade in the securities market (stock market);**

Date of the license: **February, 26 2002.**

Valid till: **without restriction of validity**

Licensing body: **Federal Commission for Securities Market of Russia.**

**The potential buyer of Bonds who is a member of the Stock Market Section of MICEX shall operate independently.**

**If a potential buyer of the Bonds is not a member of the Stock Market Section of MICEX, he should conclude the contract with any broker being a member of the Stock Market Section of MICEX and instruct him on the Bond acquisition.**

**The potential buyer of Bonds shall be obliged to open the account of depot in NDC or other Depository**

**being the depositor in relation to NDC. The procedure and conditions of opening the accounts of depot are set forth by the Rules of the corresponding depositaries.**

**Annual interest rate on the first coupon is to be fixed during the auction held in the MICEX Stock market section among the potential buyers of the Bonds on the starting day of the bond placement. On the date of the Auction the members of the Stock Market Section of MICEX (hereinafter referred to as the Section Members) shall submit target orders for the Bond acquisition with T0 code through the trading system of MICEX in compliance with the Securities Trading Rules of MICEX and other regulatory documents of MICEX both at their own expense and at the expense and on behalf of their client. Time and procedure for submission of orders for participation in the auction on determination of the first coupon interest rate are defined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and-or the Underwriter. The members of the Stock Market Section of MICEX shall submit orders for the Bond acquisition to the Underwriter.**

**Each order shall include the interest rate under the first coupon at which potential buyers are ready to acquire the number of Bonds specified in the order. Interest rate on the first coupon specified in the order shall be expressed as annual interest rate to the 100-th share of percent.**

**By the beginning of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall have to reserve money resource, sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee.**

**The orders which do not conform with the above mentioned conditions are not allowed to take part in the Auction.**

**After the period of submission of the orders for the Auction expires, members of the Stock Market Section of MICEX cannot withdraw the submitted orders.**

**After the period of submission of the orders for the Auction expires, MICEX shall make a joint register of the submitted orders for the Issuer and/or Underwriter.**

**The joint register of the submitted orders shall include all terms specified in each order, namely: the price of acquisition, number of securities, date and time of the order's reception as well as the name of the Member of the Section who submitted the order. The joint register of the submitted orders shall be approved by the Financial Consultant in the equity market.**

**Individual executive body of the Issuer shall make decision on the size of the annual interest rate under the first coupon on the basis of total number of the submitted orders and the interest rates on the first coupon indicated in them. The Issuer shall inform the MICEX about such decision in written form not later than 30 minutes prior to its sending to a news agency. After sending notification on the size of the interest rate under the first coupon to a news agency the Issuer informs the Underwriter about the size of the interest rate under the first coupon. The Underwriter informs all members of the MICEX Stock Market Section about the size of the interest rate under the first coupon fixed by the Issuer using MICEX Trading system by means of e-mail to all members of the MICEX Stock Market Section.**

**The information on the interest rate under the first coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.**

**After the Issuer fixes the interest rate under the first coupon on the first day of the bond placement the Underwriter on behalf of the Issuer shall satisfy orders for purchase of Bonds on the conditions and in order stated in the Decision on Bond Issue and the Prospectus of Bonds. All transactions of bond sale and purchase during their placement shall be concluded at the price of the Bond par value.**

**Transactions of sale and purchase of Bonds during the placement shall be concluded only after the Financial Consultant approves the Register of the submitted orders for bonds purchase formed by the MICEX.**

**During the Auction the Underwriter shall satisfy the orders of the members of the Stock Market Section for Bonds acquisition in ascending order of the interest rate specified in such orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis. . If the number of Bonds indicated in the last order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. The order of the Members of the stock market Section for purchase shall be satisfied provided that the coupon rate specified in it is not higher than the rate on**

***the first coupon specified in the counter order of the Underwriter. Unsatisfied during the Auction orders for bond purchase of the Members of the stock market Section are to be cancelled.***

***The interest rate under the first coupon having been fixed and the orders submitted during the Auction having been satisfied, the member of the MICEX Stock Market Section acting on its own behalf and at own expense, or on its own behalf, but for the account and on behalf of the potential buyers who are not the members of the MICEX Stock Market Section may submit orders for purchase of Bonds at the price of 100 percent of the bond par value at any working day during the period of placement with indication of the number of bonds to be acquired.***

***Starting from the second day of the bond placement, the buyer shall pay accumulated coupon income under the Bonds calculated from the starting date of the Bond placement according to item 15 of the Decision on Bonds Issue and item 2.6 of the Prospectus of the Bonds. Financial Consultant in the equity market shall approve the Register of the submitted orders for bonds purchase formed by the MICEX according to the results of each day of the bond placement. The Register of the submitted orders shall include the terms specified in each order, namely: the price of acquisition, number of securities, date and time of the order's reception as well as the name of the Member of the Section.***

***Time and procedure for orders' submission shall be established by the Moscow Interbank Stock Exchange as agreed with the Underwriter. The Underwriter shall inform the Members of the Section about the unplaced Bonds on the trading account of the Underwriter through the MICEX trading system by means of offering non-target orders.***

***The submitted orders for Bonds purchase are satisfied by the Underwriter in full if the number of Bonds indicated in the order does not exceed the number of unplaced Bonds on the trading account of the Underwriter. If the number of Bonds indicated in the order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. The Underwriter satisfies the orders for the bonds' acquisition on a first-come basis. If the total volume of par value of the bond issue is placed, further orders for bond purchase shall not be accepted.***

***Obligatory condition of Bonds acquisition at their placement is reservation of money resources of the buyer on the account of the Member of the stock market Section on behalf of which the order has been sent, in the MICEX Clearing house.***

Full registered name: ***Nonbank credit organization/Closed joint-stock company "Clearing House of Moscow Interbank Currency Exchange"***

Abbreviated registered name: ***CJSC RP MICEX***

Location: ***building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125 009***

Postal address: ***building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125 009***

***The amount of the reserved money resource should be sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee. Should the conditions in the orders satisfy the abovementioned requirements, the orders are registered in the Moscow Interbank Stock Exchange and accepted by the Underwriter in the MICEX. The sold Bonds are to be transferred to the accounts of depot of the buyers in NDC or to the accounts of depot of the Depositaries, being the depositor in relation to NDC, on the day of concluding the transaction for purchase and sale.***

***Upon termination of the bond placement, the Moscow Interbank Stock Exchange makes the Final Register of orders for purchase of securities according to requirements of the Decision of FCSM of Russia № 03-30/ps of 18 June, 2003. The final Register of the orders for purchase of the securities shall be approved by the Financial Consultant. The copy of the Final Register shall be submitted to the registering authority for the state registration of the Report on the results of the bond issue.***

***The transactions concluded during the bond placement can be changed and/or cancelled for the reasons and in the order stipulated by Article 29 of the Civil Code of the Russian Federation.***

**The right of priority during the bond placement.**

***The right of priority is not provided.***

**The companies participating in the bond placement:**

***The bond issue is being placed through the Financial Consultant in the stock market:***

Full registered name: ***Open Joint-Stock Company "Federalnaya Fondovaya Korporatsiya"***

The abbreviated name: ***OJSC "FFK"***

TIN: ***7706024711***

Location: ***25, Ostozhenka Str., Moscow, 119034***

Number of the license of the professional participant of the stock market (broker): ***077-06174-100000***

Date of issue: ***August 29, 2003***

Valid till: ***unlimited***

Licensing body: ***Federal Commission for Securities Market of Russia***

Number of the license of the professional participant of the stock market (dealer): ***077-06178-010000***

Date of issue: ***August 29, 2003***

Valid till: ***unlimited***

Licensing body: ***Federal Commission for Securities Market of Russia***

Main functions of the given person: ***renders services of the Financial consultant on the securities market under the Agreement № FK-96-04 of June 04, 2004, namely:***

- ***Assistance in preparation of the Prospectus of the Bonds by the Issuer;***
- ***after appropriate examination and reception of corresponding written statements of the Issuer on reliability and completeness of the information contained in the Prospectus of the Bonds, except for its part to be confirmed by the auditor and-or the appraiser, - signing of the Prospectus of the Bonds as well as the documents which can be needed by the Issuer for the organization of the bonds' circulation and, if applicable, the bonds' placement at the organizers of the trade;***
- ***supervision over the observance of the requirements of the federal laws and other regulatory legislation, including requirements relating to advertising and the procedure for information disclosure, including monitoring of the information disclosure at different stages of the securities' issue, as well as the observance of the terms of the bond placement set forth by the Decision on the Bond issue;***
- ***after due examination, - signing of the Report on the results of the Bond issue;***
- ***consulting the Issuer on the matters relating to preparation of the Decision on the bond issue, the Prospectus of the bonds, Report on the results of the bond issue and other documents on issue, placement and organization of the bonds' circulation as well as on the routine matters during the bonds' issue;***
- ***consulting the Issuer on the matters relating to preparation of the decisions of the Issuer's governing bodies on the bond issue and placement (Decision on the bond placement, Approval of major and related-party transactions, approval of the Decision on the bond issue, approval of the Report on the results of the bond issue, etc.);***
- ***consulting on the Russia legislation relating to issuance of corporate bonds and on its requirements on information disclosure at the securities' issue.***

Agents of the bond placement:

Full registered name: ***Joint-stock commercial bank "ROSBANK" (open joint-stock company)***

Abbreviated name: ***OJSC AKB "ROSBANK"***

TIN: ***7730060164***

Location: ***11, Masha Poryvaeva Str., Moscow, 107078***

Postal address: ***mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078***



Number of the license: *№ 177-05721-100000 for broker activity*

Date of issue: *06.11.2001*

Valid till: *unlimited*

Licensing body: *Federal Commission for Securities Market of Russia*

Main Functions of the Agent:

*The bond placement is performed by OJSC AKB "ROSBANK" operating on a contractual basis. According to the Agreement the function of the Underwriter is to conclude on behalf of and at the expense of the Issuer transactions on sale of the Issuer's bonds to their first owners.*

*During the bond placement transactions will be concluded on the conditions of negotiable transactions in the Stock Market Section of MICEX by satisfying target orders for purchase/sale submitted to the Trading and clearing Systems of MICEX.*

*The submitted orders for Bonds purchase are satisfied by the Underwriter in full if the number of Bonds indicated in the order does not exceed the number of unplaced Bonds. If the number of Bonds indicated in the order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. At that, during the Auction held in the MICEX stock market section the order of the Members of the stock market Section for purchase shall be satisfied provided that the coupon rate specified in it is not higher than the rate on the first coupon specified by the Issuer's Individual executive body starting from the orders having the minimal value of the interest rate of all submitted orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis. If the total volume of par value of the bond issue is placed, further orders for bond purchase shall not be accepted.*

Procedure of making an entry record under the account of depot of the first buyer in the Depository providing centralized custody:

*According to Regulations on depository activity in the Russian Federation, approved by the Decision of the Federal Commission for Securities Market № 36 of October, 16, 1997, other legal acts and the Deposit Agreement Depository is obliged to make records under the account of depot of the client (depositor) only at presence of the documents giving grounds for making such records.*

*A potential buyer of Bonds is obliged to open an account of depot in NDC or any other Depository being a depositor of NDC.*

*The sold Bonds are to be transferred by NDC to the accounts of the buyers on the day of concluding the transaction for purchase and sale.*

*The entry record under the account of depot of the first buyer in the Depository is made on the grounds of the orders given by the clearing organization servicing the transactions executed by the MICEX during the bond placement. The placed Bonds are transferred to the accounts of depot of the buyers by the Depository in accordance with the conditions of realizing clearing activity by the clearing organization and the conditions of realizing depository activity by the Depository.*

#### **8.4. Price of the placement.**

*During the first and the following days of the bond placement the bonds are to be placed at the price of 100 (one hundred) percent of their face value (one thousand roubles per one Bond).*

*Starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds calculated from the starting date of the bond placement in accordance with Article 15 of the Decision on the bond issue and Article 2.6. of the Prospectus of the Bonds..*

#### **8.5. The right of priority during the bond placement.**

*The right of priority is not provided.*

#### **8.6. Payment of Bonds.**

***When being acquired bonds shall be paid out in money terms in currency of the Russian Federation by cashless settlement. Payment by installments is not allowed.***

Payment by installments:

***Payment by installments is not allowed.***

Essential elements of the accounts to which payments of bonds are to be transferred:

Holder of account: ***Joint-Stock Commercial Bank "Rosbank" (Open Joint-Stock Company)***

Account number: ***30401810400100000411***

Credit organization:

Full name: ***Nonbank credit organization Closed joint-stock company "Clearing house of the Moscow Interbank Currency Exchange"***

Abbreviated name: ***CJSC "RP MICEX"***

Location: ***building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125009***

Postal address: ***building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125009***

BIC: ***044583505***

Correspondence account: ***30105810100000000505 in OPERU of the Moscow branch of the Bank of Russia***

Other conditions of payment:

***The bonds shall be paid out in money terms in currency of the Russian Federation by cashless settlement according to the Rules of the MICEX Stock Market Section.***

***Starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds (NKD) calculated in accordance with Article 15 of the Decision on the bond issue and Article 2.6. of the Prospectus of the Bonds. Settlement of accounts on the bond placement shall be made on a "delivery against payment" basis. Money resources entered in the account of the Underwriter in the MICEX Clearing house shall be transferred to the account of the Issuer not later than on the next working day after their receipt in the account of the Underwriter in the MICEX Clearing house;***

## **8.7. Share of bonds which if not being placed makes the bond issue frustrated.**

***Such share is not established.***

## **9. Terms and procedure of Bonds redemption and/or payment of the coupon income on Bonds.**

### **9.1. Form of the bond redemption.**

***Repayment of Bonds shall be carried out in money terms in currency of the Russian Federation by cashless settlement. Bond Owners are not provided the opportunity to choose the form of the bond redemption.***

### **9.2. Terms and the arrangements of the redemption.**

***Bonds are to be redeemed by the Payment agent on behalf and at the expense of the Issuer which is:***

Full registered name: ***Joint-stock commercial bank "ROSBANK" (open joint-stock company)***

Abbreviated name: ***OJSC AKB "ROSBANK"***

Location: ***11, Masha Poryvaeva Str., Moscow, 107078***

Postal address: ***mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078***

***The Issuer is entitled to appoint other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in order and terms specified in Article 11 of the Decision on the bond issue and Article 2.9. of the Prospectus of the Bonds.***

***Bonds are to be redeemed at their par value on the 1 830<sup>th</sup> (one thousand eight hundred and thirtieth) day from the starting date of the bonds placement.***

***If the maturity date happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.***

***Repayment of Bonds shall be carried out in currency of the Russian Federation by cashless settlement in favor of the Bond Holders. It is presumed that nominal holders of the Bonds being depositors of NDC are authorized to receive amounts from the Bond redemption.***

***Repayment of Bonds is made for the benefit of Holders of the Bonds being those as of the end of working hours of NDC, previous to the seventh business day before the maturity date (further under the text - " Date of making up a list of owners and nominal Holders of Bonds).***

***Obligations on Bonds redemption are executed by the Issuer for the benefit of the Bond owners on the basis of the List of owners and/or nominal Holders of Bonds presented by NDC.***

***Not later than 6 (six) working days prior to the Maturity Date NDC depositor who is not authorized by the clients to receive amounts from the Bond redemption shall provide NDC with the List of the Bond owners and/or nominal holders of the Bonds including the below mentioned data.***

***If the Bond Owners who authorized a nominal holder to receive amounts from the Bond redemption are non-residents and-or physical persons, the nominal holder is obliged to specify the following information about such persons in the list of Bond Owners:***

- ***full name/first name, middle initial, last name the owner of Bonds;***
- ***number of the Bonds owned;***
- ***full name of the person, authorized to receive the redemption sums under Bonds;***
- ***location (or place of registration – for individual persons) and postal address of the Bond Owner including postal code;***
- ***essential elements of the bank account of the person, authorized to receive the sums of repayment under Bonds;***
- ***Tax-payer's Identification number (TIN) of the Bond Owner;***
- ***tax status of the Bond Owner.***

***If a Bond Owner is a juridical person – non-resident:***

- ***personal identification number (IIN) – if any.***

***If a Bond Owner is a natural person:***

- ***kind, number, date and place of issue of the identity document of a Bond Owner, name of the authority issuing the identity card;***
- ***number of the certificate of the state retirement insurance of the Bond Owner (if any);***
- ***Tax-payer's Identification number (TIN) of the Bond Owner (if any);***
- ***date, month and year of birth of the Bond Owner.***

***Execution of obligations in relation to the Bond owner being those at the date of making up a list of owners and/or nominal Holders of Bonds declares appropriate including in case of alienation of Bonds after Date of making up a list of owners and nominal Holders of Bonds.***

***If the rights of an owner to Bonds are transferred to a nominal holder and a nominal holder is authorized to receive amounts from the Bond redemption, then a person authorized to receive amounts from the Bond redemption is understood as a nominal holder.***

***If the rights of an owner to Bonds are not transferred to a nominal holder or a nominal holder is not authorized by a Bond owner to receive amounts from the Bond redemption, then a person authorized to receive amounts from the Bond redemption is understood as a Bond owner.***

**Not later than 4 (four) working days prior to the Maturity Date NDC provides the Issuer and the Payment agent with the list of owners and/or nominal Holders of the Bonds, made on Date of making up the list of owners and/or nominal Holders of Bonds including the following data:**

- a) Full name of the person, authorized to receive the redemption sums under Bonds.**
- b) Number of the Bonds on the account of depot of the owner or inter-deposit account of depot of the nominal Holder of Bonds, authorized to receive the sums of repayment under Bonds;**
- c) Location and postal address of the person, authorized to receive the sums of repayment under Bonds;**
- d) Essential elements of the bank account of the person, authorized to receive the sums of repayment under Bonds, namely:**
  - Number of the account;**
  - The name of bank in which the account is open;**
  - The correspondent account of bank in which the account is open;**
  - Bank identification code (BIK) and Tax-payer's Identification number (TIN) of the bank in which the account is open;**
- e) Tax-payer's Identification number (TIN) of the person, authorized to receive the sums of repayment under Bonds;**
- f) The tax status of the person authorized to receive the sums of repayment under Bonds.**

**Bond Owners, their authorized persons including depositors of NDC are obliged to provide all necessary information to NDC and independently control the completeness and actuality of the data provided by them to the Depository, they bear all the risks related to non-provision/untimely provision of such information.**

**Should the said data fail to be submitted, or fail to be submitted in due time to NDC, the Issuer bears no responsibility for untimely or undue execution of obligations on Bond redemption. It is the Owner of Bonds who takes the risks of damages in case of untimely or incomplete submission of the above mentioned data.**

**Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. The Issuer fulfils the obligations under the Bonds on the basis of the NDC's data. In such a case obligations of the Issuer are considered executed in full and properly. If the essential elements of bank account and other information necessary for execution by the Issuer of its obligations under Bonds, provided by a Bond owner or Bond Holder or available in the Depository, do not allow the Payment agent to transfer money resources in due time such delay cannot be considered as a delay of execution of obligations under Bonds, and a Bond owner has no right to claim extra interest or any other compensation for such delay in payment. In cases stipulated by the Agreement with NDC the Issuer is entitled to demand confirmation of such data by information from the Register.**

**On the basis of the list of Bond Owners and/or nominal Holders, provided by NDC, the Payment Agent calculates the amounts of money to be paid to each person authorized to receive Bond redemption amounts.**

**Not later than 3 (three) working day before the Maturity Date, the Issuer transfers the appropriate money to the Payment Agent's account.**

**As at the date of Bonds redemption the Payment Agent transfers the appropriate money to accounts of the persons authorized to get the sums of redemption under Bonds for the benefit of the Bond Owners.**

**If one person is authorized to receive Bond redemption amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.**

**The Maturity date:**

The first day of the Maturity date:

**the 1 830<sup>th</sup> (one thousand eight hundred and thirtieth) day from the starting date of the bonds placement.**

The last day of the Maturity date:

***Coincides with the first day of the Maturity date.***

### 9.3. Procedure of calculating income paid under each bond.

Coupon period		Coupon income
Starting date	Expiry date	

**1<sup>st</sup> Coupon:** Annual interest rate on the first coupon is to be fixed during the auction held in the MICEX Stock market section among the potential buyers of the Bonds on the starting day of the bond placement. On the date of the Auction the members of the Stock Market Section of MICEX (hereinafter referred to as the Section Members) shall submit target orders for the Bond acquisition with T0 code through the trading system of MICEX in compliance with the Securities Trading Rules of MICEX and other regulatory documents of MICEX both at their own expense and at the expense and on behalf of their client. Time and procedure for submission of orders for participation in the auction on determination of the first coupon interest rate are defined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and/or the Underwriter. The members of the Stock Market Section of MICEX shall submit orders for the Bond acquisition to the Underwriter.

Each order shall include the interest rate under the first coupon at which potential buyers are ready to acquire the number of Bonds specified in the order. Interest rate on the first coupon specified in the order shall be expressed as annual interest rate to the 100-th share of percent.

By the beginning of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall have to reserve money resource, sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee.

The orders which do not conform with the above mentioned conditions are not allowed to take part in the Auction.

After the period of submission of the orders for the Auction expires, members of the Stock Market Section of MICEX cannot withdraw the submitted orders.

After the period of submission of the orders for the Auction expires, MICEX shall make a joint register of the submitted orders for the Issuer and/or Underwriter.

The joint register of the submitted orders shall include all terms specified in each order, namely: the price of acquisition, number of securities, date and time of the order's reception as well as the name of the Member of the Section who submitted the order. The joint register of the submitted orders shall be approved by the Financial Consultant in the equity market.

Individual executive body of the Issuer shall make decision on the size of the annual interest rate under the first coupon on the basis of total number of the submitted orders and the interest rates on the first coupon indicated in them. The Issuer shall inform the MICEX about such decision in written form not later than 30 minutes prior to its sending to a news agency. After sending notification on the size of the interest rate under the first coupon to a news agency the Issuer informs the Underwriter about the size of the interest rate under the first coupon. The Underwriter informs all members of the MICEX Stock Market Section about the size of the interest rate under the first coupon fixed by the Issuer using MICEX Trading system by means of e-mail to all members of the MICEX Stock Market Section.

The information on the interest rate under the first coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the first coupon is the first day of the bond placement.	Expiry date of the first coupon is the starting date of the second coupon being the 183d day from the first day of the bond placement.	The size of the first coupon income per one Bond is determined according to the following formula: $KD = C1 * N * (T1 - T0) / (365/100 \%),$ Where, KD - size of the coupon income on each Bond ; N - face-value of one Bond ; C1 - the size of the interest rate of the first coupon, in percentage annual;
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		<p>T0 - starting date of the first coupon period; T1 – expiry date of the first coupon period.</p> <p>The size of coupon income for the first coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**2<sup>nd</sup> Coupon:** The interest yield for the second coupon will be equal to the interest rate for the first coupon.

Starting date of the second coupon is the 183 <sup>rd</sup> day from the first day of the bond placement.	Expiry date of the second coupon is the starting date of the third coupon being the 366th day from the first day of the bond placement.	<p>The size of the second coupon income per one Bond is determined according to the following formula:  <math>KD = C2 * N * (T2 - T1) / (365/100 \%)</math>,                  Where,                  KD - size of the coupon income on each Bond ;                  N - face-value of one Bond ;                  C2 - the size of the interest rate of the second coupon, in percentage annual;                  T1 - a launch date of the second coupon period;                  T2 – an expiry date of the second coupon period.</p> <p>The size of coupon income for the second coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**3<sup>rd</sup> Coupon:** The interest rate on the third coupon shall be equal to the interest rate for the first coupon.

Starting date of the third coupon is 366-th day from the first day of the bond placement.	Expiry date of the third coupon is the starting date of the fourth coupon being the 549th day from the first day of the bond placement.	<p>The size of the third coupon income per one Bond is determined according to the following formula:  <math>KD = C3 * N * (T3 - T2) / (365/100 \%)</math>,                  Where,                  KD - size of the coupon income on each Bond ;                  N - face-value of one Bond ;                  C3 - the size of the interest rate of the third coupon, in percentage annual;                  T2 - starting date of the third coupon period;                  T3 – expiry date of the third coupon period.</p> <p>The size of coupon income for the third coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**4<sup>th</sup> Coupon:** The interest rate on the fourth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the fourth coupon shall be

disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

<p>Starting date of the fourth coupon is the 549-th day from the first day of the bond placement.</p>	<p>Expiry date of the fourth coupon is the starting date of the fifth coupon being the 732<sup>nd</sup> day from the first day of the bond placement.</p>	<p>The size of the fourth coupon income per one Bond is determined according to the following formula:  <math display="block">KD = C4 * N * (T4 - T3) / (365/100 \%)</math>                     Where,                      KD - size of the coupon income on each Bond .;                      N - face-value of one Bond ;                      C4 - the size of the interest rate of the fourth coupon, in percentage annual;                      T3 - a starting date of the fourth coupon period;                      T4 – an expiry date of the fourth coupon period.</p> <p>The size of coupon income for the fourth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).the interest rate for the first coupony.</p>
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**5<sup>th</sup> Coupon:** The interest rate on the fifth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the fifth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

<p>Starting date of the fifth coupon is 732<sup>nd</sup> day from the first day of the bond placement.</p>	<p>Expiry date of the fifth coupon is the starting date of the sixth coupon being the 915<sup>th</sup> day from the first day of the bond placement.</p>	<p>The size of the fifth coupon income per one Bond is determined according to the following formula:  <math display="block">KD = C5 * N * (T5 - T4) / (365/100 \%)</math>                     Where,                      KD - size of the coupon income on each Bond .;                      N - face-value of one Bond ;                      C5 - the size of the interest rate of the fifth coupon, in percentage annual;                      T4 - a starting date of the fifth coupon period;                      T5 – an expiry date of the fifth coupon period.</p> <p>The size of coupon income for the fifth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**6<sup>th</sup> Coupon:** The interest rate on the sixth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the sixth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

<p>Starting date of the sixth coupon is 915-th day from the first day of the bond placement.</p>	<p>Expiry date of the sixth coupon is the starting date of the seventh coupon being the 1 098<sup>th</sup> day from the first day of the bond placement.</p>	<p>The size of the sixth coupon income per one Bond is determined according to the following formula:  <math>KD = C6 * N * (T6 - T5) / (365/100 \%)</math>,                      Where,                      KD - size of the coupon income on each Bond ;                      N - face-value of one Bond ;                      C6 - the size of the interest rate of the sixth coupon, in percentage annual;                      T5 - a starting date of the sixth coupon period;                      T6 – an expiry date of the sixth coupon period.</p> <p>The size of coupon income for the sixth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**7<sup>th</sup> Coupon:** The interest rate on the seventh coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the seventh coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

<p>Starting date of the seventh coupon is 1 098<sup>th</sup> day from the first day of the bond placement.</p>	<p>Expiry date of the sixth coupon period is the starting date of the eighth coupon being the 1 281<sup>st</sup> day from the first day of the bond placement.</p>	<p>The size of the seventh coupon income per one Bond is determined according to the following formula:  <math>KD = C7 * N * (T7 - T6) / (365/100 \%)</math>,                      Where,                      KD - size of the coupon income on each Bond ;                      N - face-value of one Bond ;                      C7 - the size of the interest rate of the seventh coupon, in percentage annual;                      T6 - starting date of the seventh coupon period;                      T7 – expiry date of the seventh coupon period.</p> <p>The size of coupon income for the seventh coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**8<sup>th</sup> Coupon:** The interest rate on the eighth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the eighth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

<p>Starting date of the eighth coupon is the 1 281<sup>st</sup> day from the first</p>	<p>Expiry date of the eighth coupon period is the starting date of the</p>	<p>The size of the eighth coupon income per one Bond is determined according to the following formula:</p>
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day of the bond placement.	ninth coupon being the 1 464 <sup>th</sup> day from the first day of the bond placement.	$KD = C8 * N * (T8 - T7) / (365/100 \%),$ <p>Where,            KD - size of the coupon income on each Bond ;            N - face-value of one Bond ;            C8 - the size of the interest rate of the eighth coupon, in percentage annual;            T7 - starting date of the eighth coupon period;            T8 – expiry date of the eighth coupon period.</p> <p>The size of coupon income for the eighth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**9TH Coupon:** The interest rate on the ninth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the ninth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the ninth coupon is the 1 464 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the ninth coupon period is the starting date of the tenth coupon being the 1 647 <sup>th</sup> day from the first day of the bond placement.	<p>The size of the ninth coupon income per one Bond is determined according to the following formula:  <math display="block">KD = C9 * N * (T9 - T8) / (365/100 \%),</math>           Where,            KD - size of the coupon income on each Bond ;            N - face-value of one Bond ;            C9 - the size of the interest rate of the ninth coupon, in percentage annual;            T8 - starting date of the ninth coupon period;            T9 – expiry date of the ninth coupon period.</p> <p>The size of coupon income for the ninth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**10<sup>th</sup> Coupon:** The interest rate on the tenth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the tenth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the tenth coupon is 1647-th day from the first day of the bond placement.	Expiry date of the tenth coupon coincides with the maturity date and is the 1830 <sup>th</sup> day from the first day of the bond placement.	<p>The size of the tenth coupon income per one Bond is determined according to the following formula:  <math display="block">KD = C10 * N * (T10 - T9) / (365/100 \%),</math>           Where,            KD - size of the coupon income on each Bond ;</p>
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		<p>N - face-value of one Bond ; C10 - the size of the interest rate of the tenth coupon, in percentage annual; T9 - starting date of the tenth coupon period; T10 – expiry date of the tenth coupon period.</p> <p>The size of coupon income for the tenth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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#### 9.4. Order and term of payment of the income on bonds including order and term of payment of the income on each coupon period.

Coupon period		Period(date) of coupon income payment	Date of making up the list of Bond owners for payment of coupon income
Starting date	Expiry date		

**1<sup>st</sup> Coupon:** Annual interest rate on the first coupon is to be fixed during the auction on the starting day of the bond placement

Starting date of the first coupon is the first day of the bond placement.	Expiry date of the first coupon is the starting date of the second coupon being the 183 <sup>rd</sup> day from the first day of the bond placement.	Date of the first coupon income payment is the 183 <sup>rd</sup> day from the first day of the bond placement. If the date of the coupon income payment happens to be week-end, holiday or any other day off in the Russian Federation, the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before the date of payment of the coupon income on Bonds (hereinafter – Date of making a List of Bond owners and/or Bond nominal Holders).
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#### **Procedure of Coupon Yield payment:**

Payment of the coupon yield on the Bonds is effected by a payment agent upon instructions and at the expense of the Issuer. Payment of the Bond yield is effected in the currency of the Russian Federation in the non-cash order for the benefit of owners of Bonds. It is presumed that a nominal bond holder who is a depositor of NDC is authorized to receive amounts from the Bond yield (coupon) payment.

Bond Owners, their authorized persons including depositors of NDC independently control the completeness and actuality of the data provided by them to the Depository and bear all the risks related to non-provision/untimely provision of such information. Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favor of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. The Issuer fulfils the obligations under the Bonds on the basis of the NDC's data. In such a case obligations of the Issuer are considered executed in full and properly. If the essential elements of bank account and other information necessary for execution by the Issuer of its obligations under Bonds, provided by a Bond owner or

Bond Holder or available in the Depository, do not allow the Payment agent to transfer money resources in due time such delay cannot be considered as a delay of execution of obligations under Bonds, and a Bond owner has no right to claim extra interest or any other compensation for such delay in payment. In cases stipulated by the Agreement with NDC the Issuer is entitled to demand confirmation of such data by information from the Register.

Coupon income payment is made for the benefit of owners of the Bonds being those as of the end of working hours of NDC, previous to the seventh business day before the date of the coupon payment. Obligations on coupon income payment are executed by the Issuer on the basis of the List of owners and/or nominal Holders of Bonds presented by NDC.

Not later than 6 (six) working days prior to the date of coupon income payment NDC depositor who is not authorized by the clients to receive amounts from coupon income on the Bonds shall provide NDC with the List of the Bond owners including all the essential elements mentioned below in the List of the Bond Owners and/or Nominal Holders.

If the Bond Owners who authorized a nominal holder to receive amounts from the Bond redemption are non-residents and-or physical persons, the nominal holder is obliged to specify the following information about such persons in the list of Bond Owners:

- full name/first name, middle initial, last name the owner of Bonds;
- number of the Bonds owned;
- full name of the person, authorized to receive the redemption sums under Bonds;
- location (or place of registration – for individual persons) and postal address of the Bond Owner including postal code;
- essential elements of the bank account of the person, authorized to receive the sums of repayment under Bonds;
- Tax-payer's Identification number (TIN) of the Bond Owner;
- tax status of the Bond Owner.

If a Bond Owner is a juridical person – non-resident:

- personal identification number (IIN) – if any.

If a Bond Owner is a natural person:

- kind, number, date and place of issue of the identity document of a Bond Owner, name of the authority issuing the identity card;
- number of the certificate of the state retirement insurance of the Bond Owner (if any);
- Tax-payer's Identification number (TIN) of the Bond Owner (if any);
- date, month and year of birth of the Bond Owner.

Execution of obligations in relation to the Bond owner being those at the date of making up a list of owners and nominal Holders of Bonds declares appropriate including in case of alienation of Bonds after Date of making up a list of owners and nominal Holders of Bonds.

If the rights of an owner to Bonds are transferred to a nominal holder and a nominal holder is authorized to receive amounts from the Bond redemption, then a person authorized to receive amounts from the Bond redemption is understood as a nominal holder.

If the rights of an owner to Bonds are not transferred to a nominal holder or a nominal holder is not authorized by a Bond owner to receive amounts from the Bond redemption, then a person authorized to receive amounts from the Bond redemption is understood as a Bond owner.

Not later than 4 (four) working days prior to the date of coupon income payment NDC provides the Issuer and the Payment agent with the List of owners and nominal Holders of the Bonds, made on the Date of making up the list of owners and nominal Holders of Bonds including the following data:

- a) A full name of the person, authorized to receive the coupon income sums under Bonds.
- b) Number of the Bonds on the account of depot of the owner or inter-deposit account of depot of the nominal Holder of Bonds, authorized to receive the sums of coupon income under Bonds;
- c) Location and postal address of the person, authorized to receive the sums of coupon income under Bonds;

d) Essential elements of the bank account of the person, authorized to receive the sums of coupon income under Bonds, namely:

- Number of the account;
- The name of the bank in which the account is open;
- The correspondent account of the bank in which the account is open;
- Bank identification code (BIK) and Tax-payer's Identification number (TIN) of the bank in which the account is open;

e) Tax-payer's Identification number (TIN) of the person, authorized to receive the sums of coupon income under Bonds;

f) The tax status of the person authorized to receive the sums of coupon income under Bonds.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, the Issuer bears no responsibility for untimely or undue execution of obligations on coupon income payment on Bonds. It is the Owner of Bonds who takes the risks of damages in case of untimely or incomplete submission of the above mentioned data.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favor of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of the NDC's data.

On the basis of the list of Bond Owners and nominal Holders, provided by NDC, the Payment Agent calculates the amounts of money to be paid to each person authorized to receive Bond coupon income amounts.

Not later than 3 (three) working day before the date of coupon income payment under Bonds, the Issuer transfers the appropriate money to the Payment Agent's account.

As at the date of coupon income payment the Payment Agent transfers the appropriate money to accounts of the persons authorized to get the sums of coupon income under Bonds for the benefit of the Bond Owners.

If one person is authorized to receive Bond coupon income amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

**2<sup>nd</sup> Coupon:** The interest yield for the second coupon will be equal to the interest rate for the first coupon

Starting date of the second coupon is the 183 <sup>rd</sup> day from the first day of the bond placement.	Expiry date of the second coupon is the starting date of the third coupon period being the 366 <sup>th</sup> day from the first day of the bond placement.	Date of the second coupon income payment is the 366 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation, the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
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**Procedure of coupon income payment:**

Procedure of the second coupon income payment is the same as that of the first coupon income payment.

**3<sup>rd</sup> Coupon:** The interest yield for the third coupon will be equal to the interest rate for the first coupon.

Starting date of the third coupon is the 366 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the third coupon is the starting date of the fourth coupon period being the 549 <sup>th</sup> day from the first day of the bond placement.	Date of the third coupon income payment is the 549 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation, the	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment
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		due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the third coupon income payment is the same as that of the first coupon income payment.			

**4<sup>th</sup> Coupon:** The interest rate on the fourth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the fourth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the fourth coupon is the 549 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the fourth coupon is the starting date of the fifth coupon period being the 732 <sup>nd</sup> day from the first day of the bond placement.	Date of the fourth coupon income payment is the 732 <sup>nd</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the fourth coupon income payment is the same as that of the first coupon income payment.			

**5<sup>th</sup> Coupon:** The interest rate on the fifth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the fifth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the fifth coupon is the 732 <sup>nd</sup> day from the first day of the bond placement.	Expiry date of the fifth coupon is the starting date of the sixth coupon period being the 915 <sup>th</sup> day from the first day of the bond placement.	Date of the fifth coupon income payment is the 915 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the fifth coupon income payment is the same as that of the first coupon income payment.			

**6<sup>th</sup> Coupon:** The interest rate on the sixth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the sixth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the sixth coupon is the 915 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the sixth coupon is the starting date of the seventh coupon period being the 1 098 <sup>th</sup> day from the first day of the bond placement.	Date of the sixth coupon income payment is the 1 098 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the sixth coupon income payment is the same as that of the first coupon income payment			

**7<sup>th</sup> Coupon:** The interest rate on the seventh coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the seventh coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the seventh coupon is the 1 098 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the seventh coupon is the starting date of the eighth coupon period being the 1 281 <sup>st</sup> day from the first day of the bond placement.	Date of the seventh coupon income payment is the 1 281 <sup>st</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the seventh coupon income payment is the same as that of the first coupon income payment			

**8<sup>th</sup> Coupon:** The interest rate on the eighth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the eighth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the eighth coupon is the 1 281 <sup>st</sup> day from the	Expiry date of the eighth coupon is the starting date of the ninth	Date of the eighth coupon income payment is the 1 464 <sup>th</sup> day from the first	Payment of the coupon income on bonds are made for the benefit of
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first day of the bond placement.	coupon period being the 1 464 <sup>th</sup> day from the first day of the bond placement.	day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the eighth coupon income payment is the same as that of the first coupon income payment			

**9th Coupon:** The interest rate on the ninth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the ninth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the ninth coupon is the 1 464 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the ninth coupon is the starting date of the tenth coupon period being the 1 647 <sup>th</sup> day from the first day of the bond placement.	Date of the ninth coupon income payment is the 1 647 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the ninth coupon income payment is the same as that of the first coupon income payment			

**10th Coupon:** The interest rate on the tenth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the tenth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the tenth coupon is the 1 647 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the tenth coupon coincides with the maturity date and is the 1830 <sup>th</sup> day from the first day of the bond placement.	Date of the tenth coupon income payment is the 1 830 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
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		delay of payment.	
<b>Procedure of coupon income payment:</b> Procedure of the tenth coupon income payment is the same as that of the first coupon income payment			

## **9.5. Possibility and conditions of Bond redemption before maturity.**

*Bond redemption before maturity is not provided.*

## **9.6. Data on Payment Agents**

*Coupon (interest) yield and the redemption sums under the Bonds shall be paid by the Issuer through its Payment agent.*

Full registered name: *Joint-stock commercial bank "ROSBANK" (open joint-stock company)*

Abbreviated name: *OJSC AKB "ROSBANK"*

Location: *11, Masha Poryvaeva Str., Moscow, 107078*

Postal address: *11, Masha Poryvaeva Str., Moscow, 107078*

Date of the General license for realizing banking transactions: *January 27, 2003*

Number of the License: *2272*

The licensing body: *Central Bank of the Russian Federation (Bank of Russia)*

Functions of the Payment agent:

*A Payment agent operates under the Agreement "On Payment Agent" with the Issuer. Pursuant to the Agreement the payment agent is obliged:*

- 1. To transfer money on behalf and at the expense of the Issuer to the persons specified in the List of Bond owners and Holders entitled to receive coupon income/amounts of repayment as well as to consult the Issuer on its request on preparation of documents necessary for execution by the Issuer of its obligations on coupon income payments and repayment of the bond issue par value.*
- 2. To inform the Issuer on the made payments within 1 (one) working day from the date of coupon income or redemption sums payment.*

*The Issuer is entitled to appoint additional and other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.*

**9.7. Description of actions of the Bond owners in case the Issuer fails to execute its obligations under bonds as well as procedure of disclosing the information on default or undue execution of obligations on repayment and payment of income under bonds.**

*In compliance with articles 810 and 811 of the Civil Code of Russia, the Issuer is obliged to repay the bond face value to the owners at redemption and to pay the coupon yield under the Bonds in time and order prescribed by the terms and conditions of the Decision on the Bonds issue and the Prospectus on the bond issue.*

*Default of obligations of the Issuer under Bonds is the essential breach of the conditions of the concluded contract of debt (default) in case of:*

- Delay in execution of the obligation on payment of the next interest (coupon) payment under the Bond for the term of more than 7 days or refusal to fulfill the specified obligation;*
- Delay in execution of the obligation on payment of the sum of the basic debt under the Bond for the term of more than 30 days or refusal to fulfill the specified obligation.*

*Execution of the corresponding obligations with delay, however during the above-stated periods, makes a technical default.*



***In case of default or technical default under Bonds owners and-or nominal holders of Bonds are entitled to appeal to the person giving security for Bond issue ("Underwriter") under the conditions of irrevocable offer on the conclusion of the contract of guarantee for the purposes of the Bond Issue.***

***In case of default or technical default under Bonds, execution of obligations of the Issuer before the owners of Bonds on payment of Bond par value and-or the coupon income under Bonds is provided by the Company with limited liability "UTK-Finance" (hereinafter referred to as "Underwriter") in the order stated in item 12.2. of the Decision on bond issue and item 56.14. of the Prospectus on the bond issue.***

***In case of default or technical default the Issuer is obliged to disclose the following information:***

- Volume of not executed obligations;***
- The reason of default of obligations;***
- Possible actions of the owners of Bonds on satisfaction of their claims.***

***According to the Item 395 of the Civil Code of the Russian Federation, in case of default or technical default under Bonds the Issuer shall pay interest for failure to pay the amounts in time to owners of Bonds simultaneously with payment of the due sums.***

***In case of non-execution or undue execution of obligations under the Bonds by the Issuer (including default or technical default), Owners of Bonds can address the court with a claim against the Issuer. In case of non-execution or undue execution of obligations by the Underwriter, Owners of Bonds can file a claim against the Issuer and/or the Underwriter. Owners of Bonds - natural persons can go to the court of the general jurisdiction at the place of the sued party's location, legal persons and individual businessmen - owners of Bonds, can go to the Arbitration court. The Issuer and-or the Underwriter can be sued in the court of general jurisdiction or arbitration court within general limitation period of 3 years.***

## **10. Data on bonds' acquisition.**

***1. The Issuer is entitled to buy Bonds from their owners with a possibility of their further circulation till the maturity date.***

***Bond acquisition by the Issuer cannot start before the date of the state registration of the Report on results of Bond Issue.***

***The Issuer undertakes to acquire all Bonds on demand of owners of Bonds, who submitted orders for Bonds acquisition following the procedure prescribed by the Decision on bond issue and the Prospectus of Bonds, within the last 5 (five) days of the third coupon period under Bonds (hereinafter referred to as - "the first period of submission of orders for the bond acquisition by the Issuer") or the sixth coupon period (hereinafter referred to as - "the second period of submission of orders for the bond acquisition by the Issuer". The first and the second periods of submission of orders for the bond acquisition by the Issuer are hereinafter referred to as the Periods of submission of orders for the bond acquisition by the Issuer").***

***The Issuer shall acquire the Bonds in the MICEX Stock market Section through Trading and clearing Systems of MICEX in compliance with the Securities Trading Rules of MICEX and other regulatory documents of MICEX effective.***

***In case of reorganization, liquidation of the Moscow Interbank Stock Exchange or if the Bonds' acquisition by the Issuer through the Moscow Interbank Stock Exchange in the order stipulated by the Decision on the bond issue and the Prospectus of the bonds, does not meet the requirements of the applicable legislation of the Russian Federation, the Issuer shall make a decision on the organizer of trade in the equity market through which the Issuer will conclude transactions on the Bonds' acquisition.***

***In that case the Issuer shall acquire the Bonds in accordance with the regulatory documents regulating activity of such organizer of trade in the equity market. Simultaneously with the notice of the Decision on definition of the interest rates of the fourth, fifth, and sixth coupons and-or the notice of the Decision on definition of the interest rates of the seventh, eighth, ninth and tenth coupons the Issuer shall publish the information about the organizer of trade in the equity market through which the Issuer***

**will conclude transactions on the bonds' acquisition. The information should include:**

- **full and abbreviated names of the organizer of trade in the equity market;**
- **its location;**
- **data on the license: number, date of issue, validity, issuing authority;**
- **procedure for the bonds acquisition according to the rules of the organizer of trade.**

**The Issuer shall acquire Bonds on demand of owners of Bonds in the following order:**

**a) During the period of time starting from the 1-st (First) day of the corresponding Period of submission of orders for the bond acquisition by the Issuer and ending on the last day of the given Period of submission of orders for the bond acquisition by the Issuer the owner of Bonds shall send a notice in writing to the Agent of the Issuer (OJSC AKB " ROSBANK ") on intention to sell to the Issuer the certain number of Bonds on the conditions stated in the Decision on bond issue and the Prospectus of Bonds according to the form specified in subitem "d" of the present item (hereinafter referred to as - "Notice"). The notice should be received in any of the days included in the corresponding Period of submission of orders for the bond acquisition by the Issuer. The notice can be send by registered mail or urgent express service to the address: m/b 208, 11, Masha Poryvaeva str., Moscow, 107078 for the Securities Department. The notice should also be send to the Agent of the Issuer by fax (095)7252405 for the Securities Department in any of the working days included in the corresponding Period of submission of orders for the bond acquisition by the Issuer.**

**The notice is considered received by the Agent: if delivered by registered mail or handed personally - from the date of the mark about delivery of the original to the addressee, if delivered by fax - from the moment the sender's fax machine receive the confirmation about reception of the Notice by the addressee.**

**b) Bonds shall be acquired by the Issuer at the date of acquisition which is to be determined as follows (hereinafter referred to as - " Date of acquisition"):**

**Date of acquisition of the bonds, orders for which were submitted during the first period of submission of orders for the bond acquisition, is the 5-th (Fifth) working day from the date of the third coupon payment.**

**Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 10.10 of the Prospectus of Bonds and paid in addition.**

**Date of acquisition of the bonds, orders for which were submitted during the second period of submission of orders for the bond acquisition, is the 5-th (Fifth) working day from the date of the sixth coupon payment.**

**Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 10.10. of the Prospectus of Bonds and paid in addition.**

**c) After sending the Notice specified in subitem "a" of item 9.1.2. of the Prospectus on the bond issue and subitem "a" of item 10 of the Decision on bond issue the owner of Bonds being a Member of the MICEX Stock market Section, or a broker - Member of the MICEX Stock market Section operating on behalf and at the expense of the owner of Bonds not being the Member of the MICEX Stock market Section, submits the target order for sale of Bonds through the Trading System of the MICEX Stock market Section according to the MICEX Trading Rules and other bylaws of the MICEX Stock market Section(hereinafter referred to as - " Rules of the Section ") to the Agent of the Issuer being a member of the MICEX Stock market Section, with indication of the price determined in subitem "b" of the**

**present item, number of Bonds to be sold by the owner of Bonds and T0 accounting code.**

**The order shall be submitted to the Trading System from 11:00 a.m. to 03:00 p.m. Moscow time on the corresponding Date of acquisition of Bonds. The number of Bonds specified in the order shall not exceed the number of Bonds specified in the Notice sent by the owner of Bonds according to item 9.1.2. of the Prospectus on the bond issue and item 10 of the Decision on bond issue.**

**If the owner of Bonds is not a Member of the MICEX Stock market Section, he shall conclude the corresponding Agreement with any broker being a Member of the MICEX Stock market Section and give the specified broker instructions on sale of Bonds.**

**According to the conditions of Bonds acquisition by the Issuer the extract from the Register of the trades made up as corresponding appendix to the MICEX Trading Rules and certified by the MICEX authorized signature shall be considered sufficient evidence of submitting the order for sale of Bonds.**

**d) The notice on the intention of the owner of Bonds to sell to the Issuer a certain number of Bonds shall be made under the following form:**

**Hereby \_\_\_\_\_ (First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person) notifies on the intention to sell to Public joint-stock company " Southern telecommunications company " series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, state registration number \_\_\_\_\_, owned by \_\_\_\_\_ (First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person) according to the conditions set forth in the Prospectus of Bonds and Decisions on the bond issue.**

\_\_\_\_\_  
**First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person:**

\_\_\_\_\_  
**Number of Bonds offered for sale (figures and in words).**

\_\_\_\_\_  
**The name of the Member of the MICEX Stock market Section who on behalf and at the expense of the owner of Bonds will submit the order for sale of Bonds to the Agent of the Issuer in the MICEX Trading System, on the corresponding Date of acquisition of Bonds (if the owner of Bonds is not a Member of the MICEX Stock market Section)**

\_\_\_\_\_  
**The signature of the owner of Bonds**

**Seal of the owner of Bonds - for the legal person.**

**e) Transactions on the Bonds' acquisition by the Issuer shall be concluded in the MICEX Stock market Section according to the MICEX Trading Rules. Not later than at 17:30 Moscow time on the Date of acquisition the Issuer undertakes to conclude transactions with the owners of Bonds being Members of the MICEX Stock market Section, or the brokers - Members of the MICEX Stock market Section operating on behalf and at the expense of the Bonds owners not being Members of the MICEX Stock market Section by sending counter target orders to the orders submitted in compliance with item 10 of the Decision on the bond issue and item 9.1.2. of the Prospectus of the Bonds and kept in the trading system of MICEX by the moment of making the transaction.**

**If the bonds of the issue are acquired by the Issuer, they are to be transferred to the emissive account of depot of the Issuer in NDC.**

**Later, the Bonds acquired by the Issuer can circulate in the secondary market (provided all provisions of the applicable legislation of the Russian Federation are being observed by the Issuer).**

Date of Bond acquisition or the procedure of its determination:

***Date of Bond acquisition by the Issuer can not be prior to the date of the state registration of the Report on the results of the bond issue by the Federal Commission for Securities Market of Russia and the starting date of the secondary circulation of the Bonds.***

***Bonds shall be acquired by the Issuer on the Date of acquisition which is to be determined as follows:***

***Date of acquisition of the bonds, orders for which were submitted during the first period of submission of orders for the bond acquisition, is the 5-th (Fifth) working day from the date of the third coupon payment. Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 10.10 of the Prospectus of Bonds and paid in addition.***

***Date of acquisition of the bonds, orders for which were submitted during the second period of submission of orders for the bond acquisition, is the 5-th (Fifth) working day from the date of the sixth coupon payment. Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 10.10. of the Prospectus of Bonds and paid in addition.***

Procedure of disclosing the information on Bond acquisition upon request of the Bond Owners:

***Not later than 10 (ten) working days before the date of the third coupon income payment the Issuer shall take a decision on determination of the size of interest rates under the fourth, fifth and sixth coupons and publish a notice on such a decision in order and terms specified in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the Bonds;***

***Not later than 10 (ten) working days before the date of the sixth coupon income payment the Issuer shall take a decision on determination of the size of interest rates under the seventh, eighth, ninth and tenth coupons and publish a notice on such a decision in order and terms specified in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the Bonds;***

***The Issuer discloses the information on terms of execution of obligations by the Issuer on the Bonds acquisition in order and terms specified in item 11 of the Decision on the bond issue and item 2.9 of the Prospectus of the Bonds.***

***2. The Issuer can acquire the Bonds under the agreement with their owner (owners) for their further circulation till the maturity date. The Issuer can purchase the Bonds only after the date of the state registration of the Report on the results of the Bond issue. The Issuer is entitled to buy the Bonds of the present issue through the conclusion of transactions of sale and purchase of the Bonds with their owners according to the legislation of the Russian Federation on the basis of public irrevocable offers of the Issuer published in mass media.***

***The Issuer can make separate decisions on purchase of Bonds under arrangement with their owners. Such decision is accepted by the Issuer's Board of Directors with determination of the price, term and procedure for the Bonds acquisition. The information on the accepted decision on purchase of Bonds shall be disclosed by the Issuer in the following time from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on purchase of the Bonds:***

- ***in the news tapes of «Interfax» and «AK&M» – within 1 day;***
- ***in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;***

- *in the newspapers "Vedomosti" or "Izvestiya" - not later than 5 (five) days from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on purchase of the Bonds;*
- *in the "Supplement to the Bulletin of the FCSM of Russia",*

*but not later than 7 (seven) days prior to the starting date of the bonds' acquisition fixed by the Issuer's Board of Directors.*

*The notice of the approved decision on the Bonds acquisition should include the following information:*

- *date of the meeting of the Issuer's Board of Directors which approved the decision on the bonds acquisition;*
- *number and date of drawing up the Minutes of the meeting of the Issuer's Board of Directors which approved the decision on the bonds acquisition;*
- *series and form of the Bonds, state registration number and date of the state registration of the Bond issue;*
- *number of the Bonds to be acquired;*
- *period during which a Bond owner can send to the Issuer's Agent a written notice of intention to sell to the Issuer a certain number of Bonds under conditions established in the Issuer's decision on the Bonds acquisition and published in mass media;*
- *starting date of the Bonds acquisition by the Issuer;*
- *expiry date of the Bonds acquisition by the Issuer;*
- *price of the Bonds acquisition and procedure for its determination;*
- *procedure for the Bonds acquisition;*
- *form and term of payment;*
- *name of the Agent authorized by the Issuer to acquire (repay) Bonds, its location, data on its license of the professional participant of the equity market.*

*The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) and in the newspapers "Vedomosti" or "Izvestiya" only after its publication in the news tapes.*

*Simultaneously with the notice of the approved decision on the Bonds acquisition by the Issuer under arrangement with their owners, public irrevocable offer containing all essential provisions of the transaction of sale and purchase of the Bonds should be published in the same organ. The offer should demonstrate the Issuer's willingness to buy the Bonds under the conditions specified in the publication from any owner of the Bonds who has expressed the wish to accept the offer.*

*Later, the Bonds acquired by the Issuer can circulate in the secondary market (provided all provisions of the applicable legislation of the Russian Federation are being observed by the Issuer).*

Procedure of disclosing the information on Bond acquisition under arrangement with the Bond Owners:

*The information about the accepted decision on purchase of Bonds under arrangement with their owners shall be disclosed by the Issuer in the following time from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on purchase of the Bonds:*

- *in the news tapes of «Interfax» and «AK&M» – within 1 day;*
- *in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;*
- *in the newspapers "Vedomosti" or "Izvestiya" - not later than 5 (five) days from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on the Bonds acquisition;*

*but not later than 7 (seven) days prior to the starting date of the bonds' acquisition fixed by the Issuer's Board of Directors.*

*The notice of the approved decision on the Bonds acquisition should include the following information:*

- *date of the meeting of the Issuer's Board of Directors which approved the decision on the bonds acquisition;*
- *number and date of drawing up the Minutes of the meeting of the Issuer's Board of Directors which approved the decision on the bonds acquisition;*
- *series and form of the Bonds, state registration number and date of the state registration of the Bond issue;*
- *number of the Bonds to be acquired;*
- *period during which a Bond owner can send to the Issuer's Agent a written notice of intention to sell to the Issuer a certain number of Bonds under conditions established in the Issuer's decision on the Bonds acquisition and published in mass media;*
- *starting date of the Bonds acquisition by the Issuer;*
- *expiry date of the Bonds acquisition by the Issuer;*
- *price of the Bonds acquisition and procedure for its determination;*
- *procedure for the Bonds acquisition;*
- *form and term of payment;*
- *name of the Agent authorized by the Issuer to acquire (repay) Bonds, its location, data on its license of the professional participant of the equity market.*

*The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) and in the newspapers "Vedomosti" or "Izvestiya" only after its publication in the news tapes.*

*Simultaneously with the notice of the approved decision on the Bonds acquisition by the Issuer under arrangement with their owners, public irrevocable offer containing all essential provisions of the transaction of sale and purchase of the Bonds should be published in the same organ. The offer should demonstrate the Issuer's willingness to buy the Bonds under the conditions specified in the publication from any owner of the Bonds who has expressed the wish to accept the offer.*

*After the fixed term of the Bonds acquisition expires, the Issuer shall publish information on the term of execution of obligations.*

*The said information shall be published:*

- *in the news tapes of «Interfax» and «AK&M» – within 1 day;*
- *in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;*
- *in the newspapers "Vedomosti" or "Izvestiya" – within 5 (five) days;*
- *in the "Supplement to the Bulletin of the FCSM of Russia",*

## **11. Procedure of disclosing the information on the Bond Issue by the Issuer.**

*The Issuer discloses information at each stage of the bond issue as well as in the form of notices of material facts in order established by the Federal law «On Equity Market» № 39-FZ of 22.04.1996, the Federal law «On Joint –Stock Companies» №208-FZ of 26.12.95, Provisions on disclosure of information by Issuers approved by the Federal Commission for Securities' Market of Russia № 03-32/ps of July 2, 2003 (hereinafter referred to as – "Provisions") in order and terms stipulated by the Decision on the securities issue and the Prospectus of the securities. If at the moment of the occurrence of the fact about which the Issuer should disclose information in compliance with the effective federal laws, normative legal acts of the federal body on the equity market, procedure and terms of disclosing information about such fact different from those stipulated by the Decision on the securities issue and the Prospectus of the securities, were established, then the information about such fact shall be disclosed in order and terms stipulated by the federal laws and normative legal acts of the federal body on the equity market, effective at the moment of the occurrence of the fact.*

*1. The Issuer shall make publication about the decision on the Bond placement in the following time from the date of drawing up the Minutes of the meeting of the Issuer's authorized body which approved the decision on the Bond placement:*

- *in the news tapes of «Interfax» and «AK&M» – within 1 day;*
- *in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;*
- *in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;*
- *in the "Supplement to the Bulletin of the FCFM of Russia".*

**2. The Issuer shall make publication about the decision on the securities issue in the following time from the date of drawing up the Minutes of the meeting of the Issuer’s authorized body which approved the decision on the securities issue:**

- *in the news tapes of «Interfax» and «AK&M» – within 1 day;*
- *in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;*
- *in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;*
- *in the "Supplement to the Bulletin of the FCFM of Russia".*

**3. After the state registration of the Bond issue the Issuer shall publish a notice of the state registration of the Bond issue and the procedure for access to the information about the securities’ issue in the following time from the date of the state registration of the Bond issue:**

*in the news tapes of «Interfax» and «AK&M» – within 3 days;*  
*in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;*  
*in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;*  
*in the "Supplement to the Bulletin of the FCFM of Russia".*

*The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) and in the newspapers “Vedomosti” or “Izvestiya” only after its publication in the news tapes.*

*Within three days from the date of the state registration of the Bond issue the Issuer shall publish the text of the registered Prospectus of the Bonds on the Internet site [www.stcompany.ru](http://www.stcompany.ru).*

*The text of the registered Prospectus of the Bonds should be available in the Internet from the date of its publication in the Internet site [www.stcompany.ru](http://www.stcompany.ru) till the expiry of 6 months from the date of publication of the registered Report on the results of the bond issue in the Internet site [www.stcompany.ru](http://www.stcompany.ru)*

**4. The starting date of the Bond placement shall be determined by the Issuer after the state registration of the bond issue and published in the following terms:**

*in the news tapes of «Interfax» and «AK&M» – not later than 5 days prior to the starting date of the bond placement;*  
*in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – not later than 4 days prior to the starting date of the bond placement;*

**5. The Issuer shall publish a notice of the bond placement completion in the following terms from the expiry date of the bond placement:**

*in the news tapes of «Interfax» and «AK&M» – within 1 day;*  
*in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;*  
*in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;*  
*in the "Supplement to the Bulletin of the FCFM of Russia".*

**6. After the state registration of the Report on the results of the Bond issue the Issuer shall publish a notice of the state registration of the Report on the Bond issue in the following time from the date of the state registration of the Report on the Bond issue:**

*in the news tapes of «Interfax» and «AK&M» – within 3 days;*  
*in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;*  
*in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;*

*in the "Supplement to the Bulletin of the FCFM of Russia".*

*Within three days from the date of the state registration of the Report on the Bond issue the Issuer shall publish the text of the registered of the Report on the Bond issue on the Internet site [www.stcompany.ru](http://www.stcompany.ru).*

*The text of the registered Report on the Bond issue shall be available in the Internet site [www.stcompany.ru](http://www.stcompany.ru) till the expiry of 6 months from the date of its publication in the Internet site [www.stcompany.ru](http://www.stcompany.ru)*

*7. After summing up the results of the Auction on determination of the first coupon interest rate individual executive body of the Issuer takes a decision on the size of the first coupon interest rate. The Issuer shall publish information on the taken decision in the following time from the date of taking a decision on determination of the size of the first coupon interest rate:*

*in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;*

*in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3days;*

*in the newspapers "Vedomosti" or "Izvestiya" - within 5 (five) days;*

*in the "Supplement to the Bulletin of the FCFM of Russia".*

*8. The Issuer shall inform the MICEX about its decision on the size of the first coupon interest rate in written form not later than 30 minutes prior to its sending to a news agency. After sending notification on the size of the interest rate under the first coupon to a news agency the Issuer informs the Underwriter about the size of the interest rate under the first coupon. The Underwriter informs all members of the MICEX Stock Market Section about the size of the interest rate under the first coupon fixed by the Issuer using MICEX Trading system by means of e-mailing to all members of the MICEX Stock Market Section.*

*9. After ending of each coupon period the Issuer shall disclose information on the terms of execution of obligations on the coupon income payment under the bonds in the following time from the dates on which the Issuer's obligations on the coupon income payment are to be executed:*

*in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;*

*in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3days;*

*in the newspapers "Vedomosti" or "Izvestiya" - within 5 (five) days;*

*in the "Supplement to the Bulletin of the FCFM of Russia".*

*10. The interest rate on the fourth, fifth and sixth coupons shall be fixed by the Issuer not later than 10 (ten) business days prior to the date of the third coupon payment. The Issuer shall publish information on the taken decision in the following time from the date of taking decision on determination of the size of the interest rate under the fourth, fifth and sixth coupons:*

*in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;*

*in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3days;*

*in the newspapers "Vedomosti" or "Izvestiya" - within 5 (five) days;*

*in the "Supplement to the Bulletin of the FCFM of Russia".*

*11. The interest rate on the seventh, eighth, ninth and tenth coupons shall be fixed by the Issuer not later than 10 (ten) business days prior to the date of the sixth coupon payment. The Issuer shall publish information on the taken decision in the following time from the date of taking decision on determination of the size of the interest rate under the seventh, eighth, ninth and tenth coupons:*

*in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;*

*in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3days;*

*in the newspapers "Vedomosti" or "Izvestiya" - within 5 (five) days;*

*in the "Supplement to the Bulletin of the FCFM of Russia".*

*12. After the maturity date the Issuer shall disclose information on the terms of execution of obligations on the bonds redemption in the following time from the maturity date:*



*in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.*

**13. In case of default or technical default of the Issuer’s obligations on Bonds the Issuer shall disclose the following information:**

- *Volume of not executed obligations;*
- *Reason of default of obligations;*
- *List of possible actions of Bond owners aimed at satisfaction of their demands.*

*in the following time from the date on which the Issuer’s obligations are to be executed:*

*in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.*

**14. The information about the approved by the Board of Directors decision on purchase of Bonds under arrangement with their owners shall be disclosed by the Issuer in the following time from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on the Bonds acquisition:**

- *in the news tapes of «Interfax» and «AK&M» – within 1 day;*
- *in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;*
- *in the newspapers “Vedomosti” or “Izvestiya” - not later than 5 (five) days from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on the Bonds acquisition;*

*but not later than 7 (seven) days prior to the starting date of the bonds’ acquisition fixed by the Issuer’s Board of Directors.*

**The notice of the approved decision on the Bonds acquisition should include the following information:**

- *date of the meeting of the Issuer’s Board of Directors which approved the decision on the bonds acquisition;*
- *number and date of drawing up the Minutes of the meeting of the Issuer’s Board of Directors which approved the decision on the bonds acquisition;*
- *series and form of the Bonds, state registration number and date of the state registration of the Bond issue;*
- *number of the Bonds to be acquired;*
- *period during which a Bond owner can send to the Issuer’s Agent a written notice of intention to sell to the Issuer a certain number of Bonds under conditions established in the Issuer’s decision on the Bonds acquisition and published in mass media;*
- *starting date of the Bonds acquisition by the Issuer;*
- *expiry date of the Bonds acquisition by the Issuer;*
- *price of the Bonds acquisition and procedure for its determination;*
- *procedure for the Bonds acquisition;*
- *form and term of payment;*
- *name of the Agent authorized by the Issuer to acquire (repay) Bonds, its location, data on its license of the professional participant of the equity market.*

*The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) and in the newspapers “Vedomosti” or “Izvestiya” only after its publication in the news tapes.*

*Simultaneously with the notice of the approved decision on the Bonds acquisition by the Issuer under arrangement with their owners, public irrevocable offer containing all essential provisions of the*

*transaction of sale and purchase of the Bonds should be published in the same organ. The offer should demonstrate the Issuer's willingness to buy the Bonds under the conditions specified in the publication from any owner of the Bonds who has expressed the wish to accept the offer.*

*After the fixed term of the Bonds acquisition expires, the Issuer shall publish information on the term of execution of obligations.*

*The said information shall be published:*

- *in the news tapes of «Interfax» and «AK&M» – within 1 day;*
- *in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;*
- *in the newspapers "Vedomosti" or "Izvestiya" – within 5 (five) days;*
- *in the "Supplement to the Bulletin of the FCSM of Russia".*

*15. In case of reorganization, liquidation of the Moscow Interbank Stock Exchange or if the Bonds' acquisition by the Issuer through the Moscow Interbank Stock Exchange in the order stipulated by the Decision on the bond issue and the Prospectus of the bonds, does not meet the requirements of the applicable legislation of the Russian Federation, the Issuer shall make a decision on the organizer of trade in the equity market through which the Issuer will conclude transactions on the Bonds' acquisition.*

*In that case the Issuer shall acquire the Bonds in accordance with the regulatory documents regulating activity of such organizer of trade in the equity market. Simultaneously with the notice of the Decision on definition of the interest rates of the fourth, fifth, and sixth coupons and-or the notice of the Decision on definition of the interest rates of the seventh, eighth, ninth and tenth coupons the Issuer shall publish the information about the organizer of trade in the equity market through which the Issuer will conclude transactions on the bonds' acquisition. The information should include:*

- *full and abbreviated names of the organizer of trade in the equity market;*
- *its location;*
- *data on the license: number, date of issue, validity, issuing authority;*
- *procedure for the bonds acquisition according to the rules of the organizer of trade.*

*16. The Issuer is entitled to appoint additional and other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in the news tapes of «Interfax» and «AK&M» within 5 days from the date of such appointments or their cancellation as well as in the Internet site [www.stcompany.ru](http://www.stcompany.ru) The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) after its publication in the news tapes of the information agencies «Interfax» and «AK&M».*

*17. If the conditions of security under the Bonds change for the reasons beyond the reasonable control of the Issuer or owners of the secured Bonds, the Issuer shall publish an official notification of such changes in the news tapes of «Interfax» and «AK&M» within 5 days of their onset as well as in the Internet site [www.stcompany.ru](http://www.stcompany.ru) The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) after its publication in the news tapes of the information agencies «Interfax» and «AK&M».*

*Since the date of publication of the notice on the state registration of the Bond issue and on the procedure for disclosing information contained in the Emissive Prospectus of the Bonds, all interested parties can familiarize themselves with the Decision on the Bond issue and the Prospectus of the Bonds as well as with other documents in compliance with the requirements of the Russia legislation at the following addresses:*

*Public Joint –Stock Company “ Southern Telecommunications Company ”, 66, Karasunskaya Str., Krasnodar, 350 000, phone: (8612) 53-20-56, Internet site: [http:// www.stcompany.ru](http://www.stcompany.ru)*

*OJSC AKB " ROSBANK ", 11, Masha Poryvaeva Str., Moscow, 107078, Phone: (095) 234-90-82, 208-90-38.*

**Payment may be charged for making copies of the Decision on the Bond issue, the Prospectus of the Bonds, the Report on the results of the bond issue and other documents. The price should not exceed costs for their copying.**

## **12. Data on Security for the Bonds of the Issue**

### **12.1. Data on the person providing security for the bond issue**

Person providing security:

Full registered name: **Company with Limited Liability "UTK-Finance "**

Abbreviated name: **"UTK-Finance " Ltd**

TIN: **2308090843**

OGRN: **1032304152220**

Location: **66, Karasunskaya Str., Krasnodar, 350 000**

Kind of security:

**Underwriting**

Size of security (RUR): **Total par value of the Bonds amounting to 3 500 000 000 (three billion five hundred million) rubles and the cumulative coupon income under Bonds.**

### **12.2. Terms of underwriting and procedure of exercising by Bond owners their right on provided security:**

**Item 12.2 of the Decision on the Bond Issue and item 9.1.2 of the Prospectus on the bond issue represent the offer of the Underwriter to conclude the contract of guarantee on the stated conditions (hereinafter referred to as - "Offer").**

**By this Offer the Underwriter undertakes to assume liability before the buyers of the bonds (hereinafter referred to as – Owners of the bonds) under the Issuer's obligations to pay total par value of the Bond issue amounting to RUR 3.5 billion (three and a half billion rubles) as well as cumulative coupon income under Bonds (hereinafter referred to as - Obligations) in the order set forth in the Decision on the bond issue and the Prospectus of the Bonds, aimed at due execution by Public Joint – Stock Company "UTK" (hereinafter referred to as - the Issuer) obligations under series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, total amount of 3 500 000 (three million five hundred thousand) bonds with face value of 1000 (one thousand) rubles each (hereinafter referred to as – Bonds).**

**The Underwriter and the Issuer carry joint liability before Owners of Bonds under Obligations.**

**The size of commitments secured by the Underwriter can not exceed total par value of the Bond issue amounting to 3 500 000 000 (three billion five hundred million) rubles as well as cumulative coupon income under 3 500 000 ( three million five hundred thousand) bonds. The Underwriter shall not be responsible for compensation of the Owners' legal costs incurred during the arbitration and other losses of Owners and / or penalties caused by default or inadequate performance by the Issuer of its obligations on payment of par value of Bonds and / or coupon income under Bonds.**

**The Underwriter shall execute the Obligations if all the following conditions are present at the same time:**

**- A Bond Owner or a person duly authorized by the Owner have submitted a Claim on execution of the corresponding Obligation to the Underwriter (hereinafter referred to as - the Claim);**

**- The Claim shall contain:**

**(a) Nature of Obligations that were not performed by the Issuer before the Owner;**

**(b) The size of non-fulfilled Obligations of the Issuer before the Owner;**

- (c) The full registered name (First name, middle initial, last name - for the natural person) of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);**
- (d) The location of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);**
- (e) For the natural person - a series and number of the passport, date of issue and issuing body;**
- (f) Name of the country where the Owner is a tax resident;**
- (g) Number of Bonds owned by the Owner under which payments are to be made; and**
- (h) Essential elements of the bank account of the Owner or the person, authorized to receive payments under Obligations;**

**- The following documents should be enclosed to the Claim:**

**(a) A copy of an extract from the account of depot of the owner of Bonds certified by the Depository recording the rights under Bonds with indication of the number of the Bonds belonging to the Owner;**

**(b) duly executed according to the effective legislation of the Russian Federation documents confirming powers of the authorized person (in case of submission of the Claim by the authorized person of the owner of Bonds);**

**- The Claim shall be signed by the Owner or the person, authorized to receive payments under Obligations. If the Claim is submitted by the legal person, it should contain a seal of this legal person.**

**Claims can be submitted to the Underwriter during two years from the Maturity date of the Bond issue fixed in the Decision on the bond issue and the Prospectus of the Bonds.**

**The Underwriter shall transfer the corresponding payments to the account specified in the Claim not later than 30 (Thirty) days from the date of the receipt of the Claim.**

**Acquisition of Bonds means the acceptance of the Offer, namely, the conclusion of the contract of guarantee between the buyers of the Bonds and the Underwriter on the conditions stated above. The specified contract of guarantee is considered concluded from the moment of obtaining the property rights on Bonds by the first Owner, at that, the written form of the contract of guarantee is considered observed. Rights under the specified contract of guarantee shall be transferred to a purchaser together with other rights on Bonds in the same volume and on the same conditions which exist at the moment of transferring such rights. Transfer of the rights arising from the specified contract of guarantee is declared invalid without transfer of the rights under the Bonds.**

**The Offer is irrevocable.**

**Any dispute arising out of the given Offer and the contract of guarantee concluded by means of the acceptance of the Offer shall be settled by the Arbitration court or in the court of the general jurisdiction at the place of the sued party residence.**

**Terms of underwriting are regulated and subject to interpretation according to the legislation of the Russian Federation.**

Procedure for notification (disclosure of information) about the changes of the conditions of security under the Bonds for the reasons beyond the reasonable control of the Issuer or owners of the secured Bonds:

**The Issuer shall publish an official notification of the changes of the conditions of security under the Bonds for the reasons beyond the reasonable control of the Issuer or owners of the secured Bonds in**

*order and terms specified in item 11 of the decision on the Bond issue and item 2.9. of the emissive Prospectus of the bonds.*

**13. The Issuer undertakes to ensure the rights of Bond Owners, provided they observe the procedure for exercising such rights, established by the laws of the Russian Federation .**

**14. In case the Issuer fails to perform its obligations on Bonds or delays the execution of such obligations the Underwriter – Company with Limited Liability “UTK-Finance” - undertakes to ensure fulfillment of the Issuer’s obligations before the Owners of Bonds on the conditions of the underwriting.**

**15. Other data stipulated by Standards of issue of bonds and their prospectuses.**

*1. Bonds are permitted to freely circulate in stock- exchange and over the counter markets.*

*Non-residents can acquire Bonds according to the current legislation and statutory acts of the Russian Federation.*

*Circulation of Bonds in the secondary market begins on the first calendar day following the date of the state registration of the report on results of the Bond Issue by FCSM of Russia. In the over the counter market bonds are to be circulating without restrictions up to the Maturity Date.*

*Transactions with bonds in the Moscow Interbank Stock Exchange stop on the day following the Date of drawing up the list of owners and/or nominal Holders of Bonds for payment of the coupon income on each coupon (except for the last one), and resume on the day of payment of the corresponding coupon income.*

*Transactions with bonds in MICEX cease on the day following the Date of drawing up the list of owners and/or nominal Holders of Bonds for payment of the last coupon income and repayment of the present Bond Issue.*

**2. The accumulated coupon income on Bonds (NKD) shall be calculated by the following formula:**

$$NKD = C_j * N * (T - T_{j-1}) / 365/100 \%,$$

*Where*

*NKD - accumulated coupon income under each Bond;*

*N - a face value of one Bond;*

*j- serial number of the coupon period, j=1,2,3,4,5,6,7,8,9,10;*

*C<sub>j</sub> - coupon income rate under Bonds in j-th period, annual interest rates;*

*T<sub>j-1</sub>- expiry date of the coupon period with a serial number (j-1);*

*Expiry dates of the coupon periods are fixed by the Decision on the bond issue and the Prospectus of the Bonds. For the first coupon period T<sub>j-1</sub> is the starting date of the bond placement*

*T – date for calculation of the cumulative coupon income.*

*Amount of accumulated coupon income on one Bond is calculated to one kopeck (Methods of mathematical rounding are used, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).*

### **3) IRREVOCABLE OFFER TO CONCLUDE A CONTRACT OF GUARANTEE**

**Company with Limited Liability "UTK-Finance", incorporated under the laws of the Russian Federation, located at the address: 66, Karasunskaya Str., Krasnodar, 350 000 (hereinafter referred to**

*as the Underwriter) in the person of the Director Ivan I. Ignatenko, acting on the basis of the company Charter, with a view to provide proper execution by Public Joint –Stock Company "Southern Telecommunications Company" (hereinafter – the Issuer) its obligations under series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, , total amount of 3 500 000 (three million five hundred thousand) bonds with face value of 1000 (one thousand) rubles each, total par value of the Bond issue amounting to RUR 3.5 billion (three and a half billion rubles (hereinafter referred to as – the Bonds), undertakes to assume liability before the buyers of the bonds (hereinafter referred to as – the Bond Owners) under the Issuer’s obligations to pay total par value of the Bond issue amounting to RUR 3.5 billion (three and a half billion rubles) as well as cumulative coupon income under Bonds (hereinafter referred to as - Obligations) in the order set forth in the Decision on the bond issue and the Prospectus of the Bonds.*

*The Underwriter and the Issuer carry joint liability before Owners of Bonds under Obligations.*

*The size of commitments secured by the Underwriter can not exceed total par value of the Bond issue amounting to 3 500 000 000 (three billion five hundred million) rubles as well as cumulative coupon income under 3 500 000 ( three million five hundred thousand) bonds. The Underwriter shall not be responsible for compensation of the Owners’ legal costs incurred during the arbitration and other losses of Owners and / or penalties caused by default or inadequate performance by the Issuer of its obligations on payment of par value of Bonds and / or coupon income under Bonds.*

*The Underwriter shall execute the Obligations if all the following conditions are present at the same time:*

*- A Bond Owner or a person duly authorized by the Owner have submitted a Claim on execution of the corresponding Obligation to the Underwriter (hereinafter referred to as - the Claim);*

*- The Claim shall contain:*

- (a) Nature of Obligations that were not performed by the Issuer before the Owner;*
- (b) The size of non-fulfilled Obligations of the Issuer before the Owner;*
- (c) The full registered name (First name, middle initial, last name - for the natural person) of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);*
- (d) The location of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);*
- (e) For the natural person - a series and number of the passport, date of issue and issuing body;*
- (f) Name of the country where the Owner is a tax resident;*
- (g) Number of Bonds owned by the Owner under which payments are to be made; and*
- (h) Essential elements of the bank account of the Owner or the person, authorized to receive payments under Obligations;*

*- The following documents should be enclosed to the Claim:*

- (a) A copy of an extract from the account of depot of the owner of Bonds certified by the Depository recording the rights under Bonds with indication of the number of the Bonds belonging to the Owner;*
- (b) duly executed according to the effective legislation of the Russian Federation documents confirming powers of the authorized person (in case of submission of the Claim by the authorized person of the owner of Bonds);*

***- The Claim shall be signed by the Owner or the person, authorized to receive payments under Obligations. If the Claim is submitted by the legal person, it should contain a seal of this legal person.***

***Claims can be submitted to the Underwriter during two years from the Maturity date of the Bond issue fixed in the Decision on the bond issue and the Prospectus of the Bonds.***

***The Underwriter shall transfer the corresponding payments to the account specified in the Claim not later than 30 (Thirty) days from the date of the receipt of the Claim.***

***Acquisition of Bonds means the acceptance of the Offer, namely, the conclusion of the contract of guarantee between the buyers of the Bonds and the Underwriter on the conditions stated above. The specified contract of guarantee is considered concluded from the moment of obtaining the property rights on Bonds by the first Owner, at that, the written form of the contract of guarantee is considered observed. Rights under the specified contract of guarantee shall be transferred to a purchaser together with other rights on Bonds in the same volume and on the same conditions which exist at the moment of transferring such rights. Transfer of the rights arising from the specified contract of guarantee is declared invalid without transfer of the rights under the Bonds.***

***The Offer is irrevocable.***

***Any dispute arising out of the given Offer and the contract of guarantee concluded by means of the acceptance of the Offer shall be settled by the Arbitration court or in the court of the general jurisdiction at the place of the sued party residence.***

***Terms of underwriting are regulated and subject to interpretation according to the legislation of the Russian Federation.***

***Director***

***Company with Limited Liability "UTK-Finance "***

***/I.I.Ignatenko/  
Seal***

Face side

FORM

**Public Joint –Stock Company  
"Southern Telecommunications Company"**

Location: 66, Karasunskaya Str., Krasnodar, 350 000

Postal address: 66, Karasunskaya Str., Krasnodar, 350 000

**C E R T I F I C A T I O N**

*upon series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody  
total amount - 3 500 000 bonds with face value of 1000 rubles each  
the maturity date - 1, 830<sup>th</sup> ( the one thousand eighth hundred and thirtieth) day from the starting date of the bond placement by public offering.*

State registration number of the Bond Issue \_\_\_\_\_ of \_\_\_\_\_, 2004

*The present certification certifies the right for 3 500 000 (three million five hundred thousand) Bonds with face value of 1000 (one thousand) rubles each and total par value of 3 500 000 000 (three billion five hundred million) rubles.*

*Total amount of the Bond Issue having the state registration number \_\_\_\_\_ of \_\_\_\_\_ 2004 is 3 500 000 (three million five hundred thousand) Bonds with face value of 1000 (one thousand) rubles each and total par value of 3 500 000 000 (three billion five hundred million) rubles.*

*Public Joint –Stock Company "Southern Telecommunications Company" undertakes to ensure the rights of the Owners of Bonds, provided they observe the procedure for exercising such rights established by the legislation of the Russian Federation.*

**THE BONDS ARE TO BE DISTRIBUTED BY PUBLIC OFFERING AMONG GENERAL PUBLIC**

*The present certification is subject to centralized custody in Non-commercial partnership "National Depository Center" (NDC) registered at the address: building 4, 1/13, Sredniy Kislovskiy pereulok, Moscow, 125009; which provides mandatory centralized custody of the certifications upon Bonds.*

General Director (CEO) of Public Joint –Stock Company

"Southern Telecommunications Company" \_\_\_\_\_

I. F. Ignatenko

“ \_\_\_ ” \_\_\_\_\_, 2004

Seal

Underwriting agent:

Company with Limited Liability "UTK-Finance"

Director of Company with Limited Liability "UTK-Finance" \_\_\_\_\_

I.I. Ignatenko

“ \_\_\_ ” \_\_\_\_\_, 2004

Seal



REVERSE SIDE

**1. Kind, category (type), series of securities.**

Kind of securities: *bonds*

Series: *03*

Type: *interest-bearing*

Full name of the bond issue: *series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody*

**2. Form of the bonds.**

*certificated*

**3. Information on mandatory centralized custody.**

*The bond issue is subject to mandatory centralized custody.*

**Depository:**

Full registered name: *Non-commercial partnership "National Depository Center"*

Abbreviated name: *NDC*

Headquarters: *building 4, 1/13, Sredniy Kislovskiy pereulok, Moscow, 125009*

INN: *7706131216*

Phone: *(095) 232-05-27*

License number: *177-03431-000100*

Date of license registration: *4.12.2000*

Valid till: *unlimited*

Registration authority: *FCSM of Russia*

*Series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody are jointly referred to hereinafter as "Bonds" or "Bonds of the issue" and separately – as "Bond" or "Bond of the issue".*

*The bond issue is certified by a single Certification subject to mandatory centralized custody in the Non-commercial partnership "National Depository Center" (hereinafter referred to as "NDC" or "Depository").*

*Form of the Certification is enclosed in the Exhibit to the present Decision on bond issue and Prospectus on the Bond Issue.*

*The Certification cannot be handed to Owners of the Bonds. The Bond Owners are not entitled to demand the Certification be handed to them.*

*Rights on the Bonds and on the Bonds transfer including burden them with obligations are being registered and certified by Non-commercial partnership "National Depository Center" acting as Depository and other depositaries being depositors of the Depository (hereinafter jointly referred to as the "Depositaries").*

*Rights on the Bonds are being certified by abstracts of depository accounts given by NDC and depositaries being depositors of NDC to the Holders of Bonds.*

*Rights on Bonds are considered transferred from the moment of entering by the Depository or the depositaries being depositors of NDC corresponding record under the depository account of the purchaser.*

*Bonds are to be written off the deposit accounts of the Depository after repayment of all Bonds at execution by the Issuer of the obligations on payment of the coupon income and the Bond face value.*

*The Certificate shall be cancelled after write-off of all Bonds from accounts of depot of owners and Holders of Bonds in the Depository.*

*The order of recording and transferring the rights on documentary securities with the mandatory centralized custody is regulated by the Federal law № 39-FZ "On Securities Market" of April 22, 1996, regulatory documents of the Federal Commission for Securities Market of Russia and internal documents of the Depositaries.*

*Pursuant to the Law " On Securities Market ":*

*In case of custody of certificates of pay-to-bearer documentary securities and-or registration of the rights on such securities in the Depository, the right on pay-to-bearer documentary security shall pass to the purchaser at the moment of making entering record in the account of depot of the purchaser. The rights granted by securities pass to their purchaser from the moment of transition of the rights on these securities.*

*In case of custody of certificates of pay-to-bearer documentary securities in Depositaries, the rights granted by securities, shall be exercised on the basis of certificates presented by these Depositaries on behalf of the owners, the list of such owners being enclosed. In such case the Issuer ensures exercise of the rights on pay-to-bearer documentary securities to the person specified in this list.*

*Should the data on the new owner of such security not been presented to the holder of the register of the given issue or the nominal holder of the security by the moment of closing the register for execution of the Issuer's obligations (including acquisition of income and others), execution of obligations in relation to the owner registered in the register at the moment of its closing shall be declared appropriate. The purchaser of the security bears the responsibility for the timely notification.*

*According to Regulations on depository activity in the Russian Federation, approved by the Decision of the Federal Commission for Securities Market № 36 of October, 16, 1997:*

*Depository is obliged to provide custody of securities and (or) registration of rights on securities of each client (depositor) separately from securities of other clients (depositors) of the Depository, in particular, by opening of the separate account of depot for each client (depositor).*

*Records made by the Depository in relation to the rights on securities shall certify the rights on securities if not established otherwise judicially.*

*Depository is obliged to make transactions with securities of clients (depositors) only on behalf of these clients (depositors) or the persons authorized by them, including trustees of accounts, and in time, established by the Deposit Agreement. Depository is obliged to make records under the account of depot of the client (depositor) only at presence of the documents giving grounds for making such records in accordance with the Regulations on depository activity, other normative legal acts and the Deposit Agreement.*

*The grounds for making records under the account of depot of the client (depositor) are the following:*

- order of the client (depositor) or the person authorized by him, including the trustee of the account, meeting the requirements stipulated in the Deposit Agreement;*
- if lapse of the right on securities is not a result of civil-law transactions - documents confirming transfer of the rights on securities according to the effective legislation.*

*Depository is obliged to register the facts of burden of the securities with a pledge as well as other rights of the third parties in the order stipulated by the Deposit Agreement.*

*Rights on securities which are registered by the Depository are deemed transferred from the moment of making the corresponding record in the account of depot of the client (depositor) by the Depository. However, if there is no such record in the account of depot, the interested person shall be entitled to prove his rights on the securities on the basis of other proofs.*

*In case of change of the current legislation and-or regulatory documents of the Federal Commission on Securities Market the procedure for record and transfer of the rights on the Bonds will be regulated taking into consideration new requirements of the applied legislation and-or regulatory documents of the Federal Commission on Securities Market.*

#### **4. Face value of each Bond of the issue.**

*1,000 (one thousand) rubles*

#### **5. Number of the bonds of the issue**

*3, 500, 000 (three million five hundred thousand) bonds*

*The bond issue is not supposed to be placed by tranches.*

#### **6. Total number of the bonds of the issue that have already been placed**

*The bonds of the issue have not been placed previously.*

#### **7. Rights granted by each security of the issue to their owners:**

*The Bonds represent direct and pure obligations of "Southern Telecommunications Company" PJSC (hereinafter referred to as "Issuer").*

- 1. A Bond holder is entitled to get the face value of the Bond when the Bond is retired.*
- 2. A Bond holder is entitled to get the interest of the Bond face value (coupon yield) after completion of each coupon period.*
- 3. In case of non-fulfillment by the Issuer of obligations under Bonds or delay in their fulfillment (including a default, a technical default according to item 9.7. and item 12.2. of the Decision on bond issue and item 9.1.2. e) and item 9.1.2. 3) of the Prospectus on the bond issue) security in the form of underwriting is to be provided. The Underwriter carries liability before Bond owners under obligations of the Issuer to pay total par value of the Bonds amounting to 3.5 (three and a half) billion rubles and the cumulative coupon income under Bonds.*

*The owner of Bonds is entitled to make claims to the company with limited liability "UTK-Finance" in accordance with the conditions of underwriting specified in item 12.2. of the Decision on bond issue and item 9.1.2. z) of the Prospectus on the bond issue. Rights on the Bond are transferred to the new owner (purchaser) together with all rights provided by the Underwriter.*

- 4. A Bond Owner is entitled to get back his investments in case the bond issue is declared ineffective or invalid.*
- 5. A Bond holder is entitled to demand repayment of Bonds by the Issuer in cases and on terms specified by the Decision on the bond issue and the Prospectus on Bonds.*
- 6. A Bond holder is entitled to exercise other rights provided for by the laws of the Russian Federation.*

## **8. Conditions and Procedure of the bond placement.**

### **8.1. Form of the bond placement.**

#### **Public offering**

### **8.2. Terms of the bond placement.**

Starting date of the placement, or the procedure of its determination:

*The placement of Bonds shall be launched not earlier than two weeks after the disclosure of information on the state registration of the bond issue and provision easy access to the information on the bond issue to be made public in accordance with the Federal law "On Joint –Stock Companies" and other applicable acts of FCSM of Russia to all potential buyers of Bonds in order specified in item 11 of the Decision on bond issue and item 2.9. of the Prospectus on the bond issue.*

*The specified two-week period shall be reckoned from the publication of the notification in the newspaper "Vedomosti" or "Izvestiya":*

*Starting date of the Bond placement shall be established by the Issuer after the state registration of the bond issue and brought to the notice of potential buyers of Bonds in the following time:*

- *not later than 5 (five) business days prior to the starting date of the placement through publication in the news tapes of the news agencies "Interfax" and "AK&M";*
- *not later than 4 business days prior to the starting date of the placement through publication on the Internet site <http://www.stcompany.ru>*

Expiry date of the placement, or the procedure of its determination:

*Expiry date of the bond placement is one of the following dates that comes first: a) date of the placement of the last Bond of the issue; or b) 10-th (tenth) business day after the starting day of the bond placement.*

### **8.3. Procedure of the bond placement**

Procedure and conditions of the conclusion of transactions (procedure and conditions of submission and satisfaction of orders):

*During the bond placement transactions will be concluded on the conditions of negotiable transactions in the Stock Market Section of Private Joint –Stock Company "Moscow Interbank Currency Stock Exchange " (hereinafter referred to as MICEX) by satisfying target orders for purchase/sale submitted to the Trading and clearing Systems of MICEX.*

*The bonds shall be placed through conclusion of transactions of purchase and sale at the bonds' face value (starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds calculated in accordance with the Decision on bond issue and the Prospectus on the bond issue).*

*The conclusion of transactions on the Bond placement shall begin after the Auction on determination of the first coupon interest rate and end on the expiry date of the Bond placement.*

*Obligatory condition of Bonds acquisition at their placement is reservation of money resources of the buyer on the account of the Member of the stock market Section on behalf of which the order has been sent, in the MICEX Clearing house. The amount of the reserved money resource should be sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee. The potential buyer of Bonds should also open the account of depot in NDC or Depository, being the depositor in relation to NDC.*

*The sold Bonds are to be transferred by the Depository to the accounts of depot of the bond buyers on the date of conclusion of the transactions.*

Conditions and procedure for the bond issue placement:

*The Bonds placement is performed by the conclusion of transactions of sale and purchase of Bonds in the MICEX Stock market Section through Trading and clearing Systems of MICEX in compliance with the Securities Trading Rules of MICEX effective as at the bond placement date.*

*Underwriter acts as an intermediary at the Bonds placement on behalf and at the expense of the Issuer.*

#### **Data on the organizer of trade in the equity market:**

Full registered name: *Closed joint-stock company "Moscow Interbank Currency Exchange"*

Abbreviated registered name: *CJSC "Moscow Interbank Currency Exchange" /MICEX.*

Location: *13, Bolshoi Kislovskiy per., Moscow*

Postal address: *13, Bolshoi Kislovskiy per., Moscow, 125009, the Russian Federation*

License №: *077-05870-000001 for professional activity on organization of trade in the securities market (stock market);*

Date of the license: *February, 26 2002.*

Valid till: *without restriction of validity*

Licensing body: *Federal Commission for Securities Market of Russia.*

*The potential buyer of Bonds who is a member of the Stock Market Section of MICEX shall operate independently.*

*If a potential buyer of the Bonds is not a member of the Stock Market Section of MICEX, he should conclude the contract with any broker being a member of the Stock Market Section of MICEX and instruct him on the Bond acquisition.*

*The potential buyer of Bonds shall be obliged to open the account of depot in NDC or other Depository being the depositor in relation to NDC. The procedure and conditions of opening the accounts of depot are set forth by the Rules of the corresponding depositaries.*

*Annual interest rate on the first coupon is to be fixed during the auction held in the MICEX Stock market section among the potential buyers of the Bonds on the starting day of the bond placement. On the date of the Auction the members of the Stock Market Section of MICEX (hereinafter referred to as the Section Members) shall submit target orders for the Bond acquisition with T0 code through the trading system of MICEX in compliance with the Securities Trading Rules of MICEX and other regulatory documents of MICEX both at their own expense and at the expense and on behalf of their client. Time and procedure for submission of orders for participation in the auction on determination of the first coupon interest rate are defined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and/or the Underwriter. The members of the Stock Market Section of MICEX shall submit orders for the Bond acquisition to the Underwriter.*

*Each order shall include the interest rate under the first coupon at which potential buyers are ready to acquire the number of Bonds specified in the order. Interest rate on the first coupon specified in the order shall be expressed as annual interest rate to the 100-th share of percent.*

*By the beginning of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall have to reserve money resource, sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee.*

*The orders which do not conform with the above mentioned conditions are not allowed to take part in the Auction.*

*After the period of submission of the orders for the Auction expires, members of the Stock Market Section of MICEX cannot withdraw the submitted orders.*

*After the period of submission of the orders for the Auction expires, MICEX shall make a joint register of the submitted orders for the Issuer and/or Underwriter.*

*The joint register of the submitted orders shall include all terms specified in each order, namely: the price of acquisition, number of securities, date and time of the order's reception as well as the name of the Member of the Section who submitted the order. The joint register of the submitted orders shall be approved by the Financial Consultant in the equity market.*

*Individual executive body of the Issuer shall make decision on the size of the annual interest rate under the first coupon on the basis of total number of the submitted orders and the interest rates on the first coupon indicated in them. The Issuer shall inform the MICEX about such decision in written form not later than 30 minutes prior to its sending to a news agency. After sending notification on the size of the interest rate under the first coupon to a news agency the Issuer informs the Underwriter about the size of the interest rate under the first coupon. The Underwriter informs all members of the MICEX Stock Market Section about the size of the interest rate under the first coupon fixed by the Issuer using MICEX Trading system by means of e-mail to all members of the MICEX Stock Market Section.*

*The information on the interest rate under the first coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.*

*After the Issuer fixes the interest rate under the first coupon on the first day of the bond placement the Underwriter on behalf of the Issuer shall satisfy orders for purchase of Bonds on the conditions and in order stated in the Decision on Bond Issue and the Prospectus of Bonds. All transactions of bond sale and purchase during their placement shall be concluded at the price of the Bond par value.*

*Transactions of sale and purchase of Bonds during the placement shall be concluded only after the Financial Consultant approves the Register of the submitted orders for bonds purchase formed by the MICEX.*

*During the Auction the Underwriter shall satisfy the orders of the members of the Stock Market Section for Bonds acquisition in ascending order of the interest rate specified in such orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis. If the number of Bonds indicated in the last order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. The order of the Members of the stock market Section for purchase shall be satisfied provided that the coupon rate specified in it is not higher than the rate on the first coupon specified in the counter order of the Underwriter. Unsatisfied during the Auction orders for bond purchase of the Members of the stock market Section are to be cancelled.*

*The interest rate under the first coupon having been fixed and the orders submitted during the Auction having been satisfied, the member of the MICEX Stock Market Section acting on its own behalf and at own expense, or on its own behalf, but for the account and on behalf of the potential buyers who are not the members of the MICEX Stock Market Section may submit orders for purchase of Bonds at the price of 100 percent of the bond par value at any working day during the period of placement with indication of the number of bonds to be acquired.*

*Starting from the second day of the bond placement, the buyer shall pay accumulated coupon income under the Bonds calculated from the starting date of the Bond placement according to item 15 of the Decision on Bonds Issue and item 2.6 of the Prospectus of the Bonds. Financial Consultant in the equity market shall approve the Register of the submitted orders for bonds purchase formed by the MICEX according to the results of each day of the bond placement. The Register of the submitted orders shall include the terms specified in each order, namely: the price of acquisition, number of securities, date and time of the order's reception as well as the name of the Member of the Section.*

*Time and procedure for orders' submission shall be established by the Moscow Interbank Stock Exchange as agreed with the Underwriter. The Underwriter shall inform the Members of the Section about the unplaced Bonds on the trading account of the Underwriter through the MICEX trading system by means of offering non-target orders.*

*The submitted orders for Bonds purchase are satisfied by the Underwriter in full if the number of Bonds indicated in the order does not exceed the number of unplaced Bonds on the trading account of the Underwriter. If the number of Bonds indicated in the order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. The Underwriter satisfies the orders for the bonds' acquisition on a first-come basis. If the total volume of par value of the bond issue is placed, further orders for bond purchase shall not be accepted.*

*Obligatory condition of Bonds acquisition at their placement is reservation of money resources of the buyer on the account of the Member of the stock market Section on behalf of which the order has been sent, in the MICEX Clearing house.*

Full registered name: *Nonbank credit organization/Closed joint-stock company "Clearing House of Moscow Interbank Currency Exchange"*

Abbreviated registered name: *CJSC RP MICEX*

Location: *building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125 009*

Postal address: *building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125 009*

*The amount of the reserved money resource should be sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee. Should the conditions in the orders satisfy the abovementioned requirements, the orders are registered in the Moscow Interbank Stock Exchange and accepted by the Underwriter in the MICEX. The sold Bonds are to be transferred to the accounts of depot of the buyers in NDC or to the accounts of depot of the Depositories, being the depositor in relation to NDC, on the day of concluding the transaction for purchase and sale.*

*Upon termination of the bond placement, the Moscow Interbank Stock Exchange makes the Final Register of orders for purchase of securities according to requirements of the Decision of FCSM of Russia № 03-30/ps of 18 June, 2003. The final Register of the orders for purchase of the securities shall be approved by the Financial Consultant. The copy of the Final Register shall be submitted to the registering authority for the state registration of the Report on the results of the bond issue.*

*The transactions concluded during the bond placement can be changed and/or cancelled for the reasons and in the order stipulated by Article 29 of the Civil Code of the Russian Federation.*

**The right of priority during the bond placement.**

*The right of priority is not provided.*

**The companies participating in the bond placement:**

*The bond issue is being placed through the Financial Consultant in the stock market:*

Full registered name: *Open Joint-Stock Company "Federalnaya Fondovaya Korporatsiya"*

The abbreviated name: *OJSC "FFK"*

TIN: *7706024711*

Location: *25, Ostozhenka Str., Moscow, 119034*

Number of the license of the professional participant of the stock market (broker): *077-06174-100000*

Date of issue: *August 29, 2003*

Valid till: *unlimited*

Licensing body: *Federal Commission for Securities Market of Russia*

Number of the license of the professional participant of the stock market (dealer): *077-06178-010000*

Date of issue: *August 29, 2003*

Valid till: *unlimited*

Licensing body: *Federal Commission for Securities Market of Russia*

Main functions of the given person: *renders services of the Financial consultant on the securities market under the Agreement № FK-96-04 of June 04, 2004, namely:*

- *Assistance in preparation of the Prospectus of the Bonds by the Issuer;*
- *after appropriate examination and reception of corresponding written statements of the Issuer on reliability and completeness of the information contained in the Prospectus of the Bonds, except for its part to be confirmed by the auditor and-or the appraiser, - signing of the Prospectus of the Bonds as well as the documents which can be needed by the Issuer for the organization of the bonds' circulation and, if applicable, the bonds' placement at the organizers of the trade;*
- *supervision over the observance of the requirements of the federal laws and other regulatory legislation, including*

*requirements relating to advertising and the procedure for information disclosure, including monitoring of the information disclosure at different stages of the securities' issue, as well as the observance of the terms of the bond placement set forth by the Decision on the Bond issue;*

- *after due examination, - signing of the Report on the results of the Bond issue;*
- *consulting the Issuer on the matters relating to preparation of the Decision on the bond issue, the Prospectus of the bonds, Report on the results of the bond issue and other documents on issue, placement and organization of the bonds' circulation as well as on the routine matters during the bonds' issue;*
- *consulting the Issuer on the matters relating to preparation of the decisions of the Issuer's governing bodies on the bond issue and placement (Decision on the bond placement, Approval of major and related-party transactions, approval of the Decision on the bond issue, approval of the Report on the results of the bond issue, etc.);*
- *consulting on the Russia legislation relating to issuance of corporate bonds and on its requirements on information disclosure at the securities' issue.*

Agents of the bond placement:

Full registered name: *Joint-stock commercial bank " ROSBANK " (open joint-stock company)*

Abbreviated name: *OJSC AKB " ROSBANK "*

TIN: *7730060164*

Location: *11, Masha Poryvaeva Str., Moscow, 107078*

Postal address: *mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078*

Number of the license: *№ 177-05721-100000 for broker activity*

Date of issue: *06.11.2001*

Valid till: *unlimited*

Licensing body: *Federal Commission for Securities Market of Russia*

Main Functions of the Agent:

*The bond placement is performed by OJSC AKB "ROSBANK" operating on a contractual basis. According to the Agreement the function of the Underwriter is to conclude on behalf of and at the expense of the Issuer transactions on sale of the Issuer's bonds to their first owners.*

*During the bond placement transactions will be concluded on the conditions of negotiable transactions in the Stock Market Section of MICEX by satisfying target orders for purchase/sale submitted to the Trading and clearing Systems of MICEX.*

*The submitted orders for Bonds purchase are satisfied by the Underwriter in full if the number of Bonds indicated in the order does not exceed the number of unplaced Bonds. If the number of Bonds indicated in the order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. At that, during the Auction held in the MICEX stock market section the order of the Members of the stock market Section for purchase shall be satisfied provided that the coupon rate specified in it is not higher than the rate on the first coupon specified by the Issuer's Individual executive body starting from the orders having the minimal value of the interest rate of all submitted orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis. If the total volume of par value of the bond issue is placed, further orders for bond purchase shall not be accepted.*

Procedure of making an entry record under the account of depot of the first buyer in the Depository providing centralized custody:

*According to Regulations on depository activity in the Russian Federation, approved by the Decision of the Federal Commission for Securities Market № 36 of October, 16, 1997, other legal acts and the Deposit Agreement Depository is obliged to make records under the account of depot of the client (depositor) only at presence of the documents giving grounds for making such records.*

*A potential buyer of Bonds is obliged to open an account of depot in NDC or any other Depository being a depositor of NDC.*

*The sold Bonds are to be transferred by NDC to the accounts of the buyers on the day of concluding the transaction for purchase and sale.*

*The entry record under the account of depot of the first buyer in the Depository is made on the grounds of the orders given by the clearing organization servicing the transactions executed by the MICEX during the bond placement. The placed Bonds are transferred to the accounts of depot of the buyers by the Depository in accordance with the conditions of realizing clearing activity by the clearing organization and the conditions of realizing depository activity by the Depository.*

#### **8.4. Price of the placement.**

*During the first and the following days of the bond placement the bonds are to be placed at the price of 100 (one hundred) percent of their face value (one thousand roubles per one Bond).*

**Starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds calculated from the starting date of the bond placement in accordance with Article 15 of the Decision on the bond issue and Article 2.6. of the Prospectus of the Bonds..**

#### **8.5. The right of priority during the bond placement.**

*The right of priority is not provided.*

#### **8.6. Payment of Bonds.**

**When being acquired bonds shall be paid out in money terms in currency of the Russian Federation by cashless settlement. Payment by installments is not allowed.**

Payment by installments:

*Payment by installments is not allowed.*

Essential elements of the accounts to which payments of bonds are to be transferred:

Holder of account: **Joint-Stock Commercial Bank "Rosbank " (Open Joint-Stock Company)**

Account number: **30401810400100000411**

Credit organization:

Full name: **Nonbank credit organization Closed joint-stock company "Clearing house of the Moscow Interbank Currency Exchange "**

Abbreviated name: **CJSC "RP MICEX"**

Location: **building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125009**

Postal address: **building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125009**

BIC: **044583505**

Correspondence account: **3010581010000000505 in OPERU of the Moscow branch of the Bank of Russia**

Other conditions of payment:

**The bonds shall be paid out in money terms in currency of the Russian Federation by cashless settlement according to the Rules of the MICEX Stock Market Section.**

**Starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds (NKD) calculated in accordance with Article 15 of the Decision on the bond issue and Article 2.6. of the Prospectus of the Bonds. Settlement of accounts on the bond placement shall be made on a "delivery against payment" basis. Money resources entered in the account of the Underwriter in the MICEX Clearing house shall be transferred to the account of the Issuer not later than on the next working day after their receipt in the account of the Underwriter in the MICEX Clearing house;**

#### **8.7. Share of bonds which if not being placed makes the bond issue frustrated.**

*Such share is not established.*

#### **9. Terms and procedure of Bonds redemption and/or payment of the coupon income on Bonds.**

##### **9.1. Form of the bond redemption.**

**Repayment of Bonds shall be carried out in money terms in currency of the Russian Federation by cashless settlement. Bond Owners are not provided the opportunity to choose the form of the bond redemption.**

##### **9.2. Terms and the arrangements of the redemption.**

**Bonds are to be redeemed by the Payment agent on behalf and at the expense of the Issuer which is:**

Full registered name: **Joint-stock commercial bank " ROSBANK " (open joint-stock company)**

Abbreviated name: **OJSC AKB " ROSBANK "**

Location: **11, Masha Poryvaeva Str., Moscow, 107078**

Postal address: **mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078**

**The Issuer is entitled to appoint other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in order and terms specified in Article 11 of the Decision on the bond issue and Article 2.9. of the Prospectus of the Bonds.**

**Bonds are to be redeemed at their par value on the 1 830<sup>th</sup> (one thousand eight hundred and thirtieth) day from the starting date of the bonds placement.**

**If the maturity date happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.**

**Repayment of Bonds shall be carried out in currency of the Russian Federation by cashless settlement in favor of the Bond Holders. It is presumed that nominal holders of the Bonds being depositors of NDC are authorized to receive amounts from the Bond redemption.**

**Repayment of Bonds is made for the benefit of Holders of the Bonds being those as of the end of working hours of NDC, previous to the seventh business day before the maturity date (further under the text - " Date of making up a list of owners and nominal Holders of Bonds).**

**Obligations on Bonds redemption are executed by the Issuer for the benefit of the Bond owners on the basis of the List of owners and/or nominal Holders of Bonds presented by NDC.**

**Not later than 6 (six) working days prior to the Maturity Date NDC depositor who is not authorized by the clients to receive amounts from the Bond redemption shall provide NDC with the List of the Bond owners and/or nominal holders of the Bonds including the below mentioned data.**

**If the Bond Owners who authorized a nominal holder to receive amounts from the Bond redemption are non-residents and-or physical persons, the nominal holder is obliged to specify the following information about such persons in the list of Bond Owners:**

- **full name/first name, middle initial, last name the owner of Bonds;**
- **number of the Bonds owned;**
- **full name of the person, authorized to receive the redemption sums under Bonds;**
- **location (or place of registration – for individual persons) and postal address of the Bond Owner including postal code;**
- **essential elements of the bank account of the person, authorized to receive the sums of repayment under Bonds;**
- **Tax-payer's Identification number (TIN) of the Bond Owner;**
- **tax status of the Bond Owner.**

**If a Bond Owner is a juridical person – non-resident:**

- **personal identification number (IIN) – if any.**

**If a Bond Owner is a natural person:**

- **kind, number, date and place of issue of the identity document of a Bond Owner, name of the authority issuing the identity card;**
- **number of the certificate of the state retirement insurance of the Bond Owner (if any);**
- **Tax-payer's Identification number (TIN) of the Bond Owner (if any);**
- **date, month and year of birth of the Bond Owner.**

**Execution of obligations in relation to the Bond owner being those at the date of making up a list of owners and/or nominal Holders of Bonds declares appropriate including in case of alienation of Bonds after Date of making up a list of owners and nominal Holders of Bonds.**

**If the rights of an owner to Bonds are transferred to a nominal holder and a nominal holder is authorized to receive amounts from the Bond redemption, then a person authorized to receive amounts from the Bond redemption is understood as a nominal holder.**

**If the rights of an owner to Bonds are not transferred to a nominal holder or a nominal holder is not authorized by a Bond owner to receive amounts from the Bond redemption, then a person authorized to receive amounts from the Bond redemption is understood as a Bond owner.**

**Not later than 4 (four) working days prior to the Maturity Date NDC provides the Issuer and the Payment agent with the list of owners and/or nominal Holders of the Bonds, made on Date of making up the list of owners and/or nominal Holders of Bonds including the following data:**

- a) **Full name of the person, authorized to receive the redemption sums under Bonds.**
- b) **Number of the Bonds on the account of depot of the owner or inter-deposit account of depot of the nominal Holder of Bonds, authorized to receive the sums of repayment under Bonds;**
- c) **Location and postal address of the person, authorized to receive the sums of repayment under Bonds;**
- d) **Essential elements of the bank account of the person, authorized to receive the sums of repayment under Bonds, namely:**
  - **Number of the account;**
  - **The name of bank in which the account is open;**
  - **The correspondent account of bank in which the account is open;**
  - **Bank identification code (BIK) and Tax-payer's Identification number (TIN) of the bank in which the account is open;**
- e) **Tax-payer's Identification number (TIN) of the person, authorized to receive the sums of repayment under Bonds;**



**f) The tax status of the person authorized to receive the sums of repayment under Bonds.**

**Bond Owners, their authorized persons including depositors of NDC are obliged to provide all necessary information to NDC and independently control the completeness and actuality of the data provided by them to the Depository, they bear all the risks related to non-provision/untimely provision of such information.**

**Should the said data fail to be submitted, or fail to be submitted in due time to NDC, the Issuer bears no responsibility for untimely or undue execution of obligations on Bond redemption. It is the Owner of Bonds who takes the risks of damages in case of untimely or incomplete submission of the above mentioned data.**

**Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. The Issuer fulfils the obligations under the Bonds on the basis of the NDC's data. In such a case obligations of the Issuer are considered executed in full and properly. If the essential elements of bank account and other information necessary for execution by the Issuer of its obligations under Bonds, provided by a Bond owner or Bond Holder or available in the Depository, do not allow the Payment agent to transfer money resources in due time such delay cannot be considered as a delay of execution of obligations under Bonds, and a Bond owner has no right to claim extra interest or any other compensation for such delay in payment. In cases stipulated by the Agreement with NDC the Issuer is entitled to demand confirmation of such data by information from the Register.**

**On the basis of the list of Bond Owners and/or nominal Holders, provided by NDC, the Payment Agent calculates the amounts of money to be paid to each person authorized to receive Bond redemption amounts.**

**Not later than 3 (three) working day before the Maturity Date, the Issuer transfers the appropriate money to the Payment Agent's account.**

**As at the date of Bonds redemption the Payment Agent transfers the appropriate money to accounts of the persons authorized to get the sums of redemption under Bonds for the benefit of the Bond Owners.**

**If one person is authorized to receive Bond redemption amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.**

**The Maturity date:**

The first day of the Maturity date:

**the 1 830<sup>th</sup> (one thousand eight hundred and thirtieth) day from the starting date of the bonds placement.**

The last day of the Maturity date:

**Coincides with the first day of the Maturity date.**

**9.3. Procedure of calculating income paid under each bond.**

Coupon period		Coupon income
Starting date	Expiry date	

**1<sup>st</sup> Coupon:** Annual interest rate on the first coupon is to be fixed during the auction held in the MICEX Stock market section among the potential buyers of the Bonds on the starting day of the bond placement. On the date of the Auction the members of the Stock Market Section of MICEX (hereinafter referred to as the Section Members) shall submit target orders for the Bond acquisition with T0 code through the trading system of MICEX in compliance with the Securities Trading Rules of MICEX and other regulatory documents of MICEX both at their own expense and at the expense and on behalf of their client. Time and procedure for submission of orders for participation in the auction on determination of the first coupon interest rate are defined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and-or the Underwriter. The members of the Stock Market Section of MICEX shall submit orders for the Bond acquisition to the Underwriter.

Each order shall include the interest rate under the first coupon at which potential buyers are ready to acquire the number of Bonds specified in the order. Interest rate on the first coupon specified in the order shall be expressed as annual interest rate to the 100-th share of percent.

By the beginning of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall have to reserve money resource, sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee.

The orders which do not conform with the above mentioned conditions are not allowed to take part in the Auction.

After the period of submission of the orders for the Auction expires, members of the Stock Market Section of MICEX cannot withdraw the submitted orders.

After the period of submission of the orders for the Auction expires, MICEX shall make a joint register of the submitted orders for the Issuer and/or Underwriter.

The joint register of the submitted orders shall include all terms specified in each order, namely: the price of acquisition, number of securities, date and time of the order's reception as well as the name of the Member of the Section who submitted the order. The joint register of the submitted orders shall be approved by the Financial Consultant in the equity market.

Individual executive body of the Issuer shall make decision on the size of the annual interest rate under the first coupon on the basis of total number of the submitted orders and the interest rates on the first coupon indicated in them. The Issuer shall inform the

MICEX about such decision in written form not later than 30 minutes prior to its sending to a news agency. After sending notification on the size of the interest rate under the first coupon to a news agency the Issuer informs the Underwriter about the size of the interest rate under the first coupon. The Underwriter informs all members of the MICEX Stock Market Section about the size of the interest rate under the first coupon fixed by the Issuer using MICEX Trading system by means of e-mail to all members of the MICEX Stock Market Section.

The information on the interest rate under the first coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the first coupon is the first day of the bond placement.	Expiry date of the first coupon is the starting date of the second coupon being the 183 <sup>d</sup> day from the first day of the bond placement.	<p>The size of the first coupon income per one Bond is determined according to the following formula:  <math>KD = C1 * N * (T1 - T0) / (365/100 \%)</math>,                      Where,                      KD - size of the coupon income on each Bond ;                      N - face-value of one Bond ;                      C1 - the size of the interest rate of the first coupon, in percentage annual;                      T0 - starting date of the first coupon period;                      T1 – expiry date of the first coupon period.</p> <p>The size of coupon income for the first coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**2<sup>nd</sup> Coupon:** The interest yield for the second coupon will be equal to the interest rate for the first coupon.

Starting date of the second coupon is the 183 <sup>rd</sup> day from the first day of the bond placement.	Expiry date of the second coupon is the starting date of the third coupon being the 366 <sup>th</sup> day from the first day of the bond placement.	<p>The size of the second coupon income per one Bond is determined according to the following formula:  <math>KD = C2 * N * (T2 - T1) / (365/100 \%)</math>,                      Where,                      KD - size of the coupon income on each Bond ;                      N - face-value of one Bond ;                      C2 - the size of the interest rate of the second coupon, in percentage annual;                      T1 - a launch date of the second coupon period;                      T2 – an expiry date of the second coupon period.</p> <p>The size of coupon income for the second coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**3<sup>rd</sup> Coupon:** The interest rate on the third coupon shall be equal to the interest rate for the first coupon.

Starting date of the third coupon is 366-th day from the first day of the bond placement.	Expiry date of the third coupon is the starting date of the fourth coupon being the 549 <sup>th</sup> day from the first day of the bond placement.	<p>The size of the third coupon income per one Bond is determined according to the following formula:  <math>KD = C3 * N * (T3 - T2) / (365/100 \%)</math>,                      Where,                      KD - size of the coupon income on each Bond ;                      N - face-value of one Bond ;                      C3 - the size of the interest rate of the third coupon, in percentage annual;                      T2 - starting date of the third coupon period;                      T3 – expiry date of the third coupon period.</p> <p>The size of coupon income for the third coupon is to be determined to within one kopeck (the rounding off of the</p>
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		second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).
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**4<sup>th</sup> Coupon:** The interest rate on the fourth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the fourth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the fourth coupon is the 549-th day from the first day of the bond placement.	Expiry date of the fourth coupon is the starting date of the fifth coupon being the 732 <sup>nd</sup> day from the first day of the bond placement.	<p>The size of the fourth coupon income per one Bond is determined according to the following formula:  <math>KD = C4 * N * (T4 - T3) / (365/100 \%)</math>,  Where,  KD - size of the coupon income on each Bond .;  N - face-value of one Bond ;  C4 - the size of the interest rate of the fourth coupon, in percentage annual;  T3 - a starting date of the fourth coupon period;  T4 – an expiry date of the fourth coupon period.</p> <p>The size of coupon income for the fourth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).the interest rate for the first coupony.</p>
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**5<sup>th</sup> Coupon:** The interest rate on the fifth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the fifth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the fifth coupon is 732 <sup>nd</sup> day from the first day of the bond placement.	Expiry date of the fifth coupon is the starting date of the sixth coupon being the 915th day from the first day of the bond placement.	<p>The size of the fifth coupon income per one Bond is determined according to the following formula:  <math>KD = C5 * N * (T5 - T4) / (365/100 \%)</math>,  Where,  KD - size of the coupon income on each Bond .;  N - face-value of one Bond ;  C5 - the size of the interest rate of the fifth coupon, in percentage annual;  T4 - a starting date of the fifth coupon period;  T5 – an expiry date of the fifth coupon period.</p> <p>The size of coupon income for the fifth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**6<sup>th</sup> Coupon:** The interest rate on the sixth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the sixth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the sixth coupon is 915-th day from the first day of the bond placement.	Expiry date of the sixth coupon is the starting date of the seventh coupon being the 1 098 <sup>th</sup> day from the first day of the bond placement.	<p>The size of the sixth coupon income per one Bond is determined according to the following formula:  <math>KD = C6 * N * (T6 - T5) / (365/100 \%)</math>,  Where,  KD - size of the coupon income on each Bond .;</p>
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		<p>N - face-value of one Bond ; C6 - the size of the interest rate of the sixth coupon, in percentage annual; T5 - a starting date of the sixth coupon period; T6 – an expiry date of the sixth coupon period.</p> <p>The size of coupon income for the sixth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**7<sup>th</sup> Coupon:** The interest rate on the seventh coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the seventh coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the seventh coupon is 1 098 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the sixth coupon period is the starting date of the eighth coupon being the 1 281 <sup>st</sup> day from the first day of the bond placement.	<p>The size of the seventh coupon income per one Bond is determined according to the following formula: <math>KD = C7 * N * (T7 - T6) / (365/100 \%)</math>, Where, KD - size of the coupon income on each Bond .; N - face-value of one Bond ; C7 - the size of the interest rate of the seventh coupon, in percentage annual; T6 - starting date of the seventh coupon period; T7 – expiry date of the seventh coupon period.</p> <p>The size of coupon income for the seventh coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**8<sup>th</sup> Coupon:** The interest rate on the eighth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the eighth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the eighth coupon is the 1 281 <sup>st</sup> day from the first day of the bond placement.	Expiry date of the eighth coupon period is the starting date of the ninth coupon being the 1 464 <sup>th</sup> day from the first day of the bond placement.	<p>The size of the eighth coupon income per one Bond is determined according to the following formula: <math>KD = C8 * N * (T8 - T7) / (365/100 \%)</math>, Where, KD - size of the coupon income on each Bond .; N - face-value of one Bond ; C8 - the size of the interest rate of the eighth coupon, in percentage annual; T7 - starting date of the eighth coupon period; T8 – expiry date of the eighth coupon period.</p> <p>The size of coupon income for the eighth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**9<sup>th</sup> Coupon:** The interest rate on the ninth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the ninth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

the bond issue and item 2.9 of the Emissive Prospectus of the securities.

<p>Starting date of the ninth coupon is the 1 464<sup>th</sup> day from the first day of the bond placement.</p>	<p>Expiry date of the ninth coupon period is the starting date of the tenth coupon being the 1 647<sup>th</sup> day from the first day of the bond placement.</p>	<p>The size of the ninth coupon income per one Bond is determined according to the following formula:  <math>KD = C9 * N * (T9 - T8) / (365/100 \%)</math>,                      Where,                      KD - size of the coupon income on each Bond ;                      N - face-value of one Bond ;                      C9 - the size of the interest rate of the ninth coupon, in percentage annual;                      T8 - starting date of the ninth coupon period;                      T9 – expiry date of the ninth coupon period.</p> <p>The size of coupon income for the ninth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**10<sup>th</sup> Coupon:** The interest rate on the tenth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the tenth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

<p>Starting date of the tenth coupon is 1647-th day from the first day of the bond placement.</p>	<p>Expiry date of the tenth coupon coincides with the maturity date and is the 1830<sup>th</sup> day from the first day of the bond placement.</p>	<p>The size of the tenth coupon income per one Bond is determined according to the following formula:  <math>KD = C10 * N * (T10 - T9) / (365/100 \%)</math>,                      Where,                      KD - size of the coupon income on each Bond ;                      N - face-value of one Bond ;                      C10 - the size of the interest rate of the tenth coupon, in percentage annual;                      T9 - starting date of the tenth coupon period;                      T10 – expiry date of the tenth coupon period.</p> <p>The size of coupon income for the tenth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
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**9.4. Order and term of payment of the income on bonds including order and term of payment of the income on each coupon period.**

Coupon period		Period(date) of coupon income payment	Date of making up the list of Bond owners for payment of coupon income
Starting date	Expiry date		

**1<sup>st</sup> Coupon:** Annual interest rate on the first coupon is to be fixed during the auction on the starting day of the bond placement

<p>Starting date of the first coupon is the first day of the bond placement.</p>	<p>Expiry date of the first coupon is the starting date of the second coupon being the 183<sup>rd</sup> day from the first day of the bond placement.</p>	<p>Date of the first coupon income payment is the 183<sup>rd</sup> day from the first day of the bond placement.                      If the date of the coupon income payment happens to be week-end, holiday or any other day off in the Russian Federation, the due sum shall</p>	<p>Payment of coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before the date of payment of the coupon income on Bonds</p>
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		be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	(hereinafter – Date of making a List of Bond owners and/or Bond nominal Holders).
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**Procedure of Coupon Yield payment:**

Payment of the coupon yield on the Bonds is effected by a payment agent upon instructions and at the expense of the Issuer. Payment of the Bond yield is effected in the currency of the Russian Federation in the non-cash order for the benefit of owners of Bonds. It is presumed that a nominal bond holder who is a depositor of NDC is authorized to receive amounts from the Bond yield (coupon) payment.

Bond Owners, their authorized persons including depositors of NDC independently control the completeness and actuality of the data provided by them to the Depositary and bear all the risks related to non-provision/untimely provision of such information. Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favor of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. The Issuer fulfils the obligations under the Bonds on the basis of the NDC's data. In such a case obligations of the Issuer are considered executed in full and properly. If the essential elements of bank account and other information necessary for execution by the Issuer of its obligations under Bonds, provided by a Bond owner or Bond Holder or available in the Depositary, do not allow the Payment agent to transfer money resources in due time such delay cannot be considered as a delay of execution of obligations under Bonds, and a Bond owner has no right to claim extra interest or any other compensation for such delay in payment. In cases stipulated by the Agreement with NDC the Issuer is entitled to demand confirmation of such data by information from the Register.

Coupon income payment is made for the benefit of owners of the Bonds being those as of the end of working hours of NDC, previous to the seventh business day before the date of the coupon payment. Obligations on coupon income payment are executed by the Issuer on the basis of the List of owners and/or nominal Holders of Bonds presented by NDC.

Not later than 6 (six) working days prior to the date of coupon income payment NDC depositor who is not authorized by the clients to receive amounts from coupon income on the Bonds shall provide NDC with the List of the Bond owners including all the essential elements mentioned below in the List of the Bond Owners and/or Nominal Holders.

If the Bond Owners who authorized a nominal holder to receive amounts from the Bond redemption are non-residents and/or physical persons, the nominal holder is obliged to specify the following information about such persons in the list of Bond Owners:

- full name/first name, middle initial, last name the owner of Bonds;
- number of the Bonds owned;
- full name of the person, authorized to receive the redemption sums under Bonds;
- location (or place of registration – for individual persons) and postal address of the Bond Owner including postal code;
- essential elements of the bank account of the person, authorized to receive the sums of repayment under Bonds;
- Tax-payer's Identification number (TIN) of the Bond Owner;
- tax status of the Bond Owner.

If a Bond Owner is a juridical person – non-resident:

- personal identification number (IIN) – if any.

If a Bond Owner is a natural person:

- kind, number, date and place of issue of the identity document of a Bond Owner, name of the authority issuing the identity card;
- number of the certificate of the state retirement insurance of the Bond Owner (if any);
- Tax-payer's Identification number (TIN) of the Bond Owner (if any);
- date, month and year of birth of the Bond Owner.

Execution of obligations in relation to the Bond owner being those at the date of making up a list of owners and nominal Holders of Bonds declares appropriate including in case of alienation of Bonds after Date of making up a list of owners and nominal Holders of Bonds.

If the rights of an owner to Bonds are transferred to a nominal holder and a nominal holder is authorized to receive amounts from the Bond redemption, then a person authorized to receive amounts from the Bond redemption is understood as a nominal holder.

If the rights of an owner to Bonds are not transferred to a nominal holder or a nominal holder is not authorized by a Bond owner to receive amounts from the Bond redemption, then a person authorized to receive amounts from the Bond redemption is understood as a Bond owner.

Not later than 4 (four) working days prior to the date of coupon income payment NDC provides the Issuer and the Payment agent with the List of owners and nominal Holders of the Bonds, made on the Date of making up the list of owners and

nominal Holders of Bonds including the following data:

- a) A full name of the person, authorized to receive the coupon income sums under Bonds.
- b) Number of the Bonds on the account of depot of the owner or inter-deposit account of depot of the nominal Holder of Bonds, authorized to receive the sums of coupon income under Bonds;
- c) Location and postal address of the person, authorized to receive the sums of coupon income under Bonds;
- d) Essential elements of the bank account of the person, authorized to receive the sums of coupon income under Bonds, namely:
  - Number of the account;
  - The name of the bank in which the account is open;
  - The correspondent account of the bank in which the account is open;
  - Bank identification code (BIK) and Tax-payer's Identification number (TIN) of the bank in which the account is open;
- e) Tax-payer's Identification number (TIN) of the person, authorized to receive the sums of coupon income under Bonds;
- f) The tax status of the person authorized to receive the sums of coupon income under Bonds.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, the Issuer bears no responsibility for untimely or undue execution of obligations on coupon income payment on Bonds. It is the Owner of Bonds who takes the risks of damages in case of untimely or incomplete submission of the above mentioned data.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favor of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of the NDC's data.

On the basis of the list of Bond Owners and nominal Holders, provided by NDC, the Payment Agent calculates the amounts of money to be paid to each person authorized to receive Bond coupon income amounts.

Not later than 3 (three) working day before the date of coupon income payment under Bonds, the Issuer transfers the appropriate money to the Payment Agent's account.

As at the date of coupon income payment the Payment Agent transfers the appropriate money to accounts of the persons authorized to get the sums of coupon income under Bonds for the benefit of the Bond Owners.

If one person is authorized to receive Bond coupon income amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

**2<sup>nd</sup> Coupon:** The interest yield for the second coupon will be equal to the interest rate for the first coupon

Starting date of the second coupon is the 183 <sup>rd</sup> day from the first day of the bond placement.	Expiry date of the second coupon is the starting date of the third coupon period being the 366 <sup>th</sup> day from the first day of the bond placement.	Date of the second coupon income payment is the 366 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be weekend, holiday or any other day off in the Russian Federation, the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
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**Procedure of coupon income payment:**

Procedure of the second coupon income payment is the same as that of the first coupon income payment.

**3<sup>rd</sup> Coupon:** The interest yield for the third coupon will be equal to the interest rate for the first coupon.

Starting date of the third coupon is the 366 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the third coupon is the starting date of the fourth coupon period being the 549 <sup>th</sup> day from the first day of the bond placement.	Date of the third coupon income payment is the 549 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be weekend, holiday or any other day off in the Russian Federation, the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
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**Procedure of coupon income payment:**

Procedure of the third coupon income payment is the same as that of the first coupon income payment.

**4<sup>th</sup> Coupon:** The interest rate on the fourth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the fourth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the fourth coupon is the 549 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the fourth coupon is the starting date of the fifth coupon period being the 732 <sup>nd</sup> day from the first day of the bond placement.	Date of the fourth coupon income payment is the 732 <sup>nd</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the fourth coupon income payment is the same as that of the first coupon income payment.			

**5<sup>th</sup> Coupon:** The interest rate on the fifth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the fifth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the fifth coupon is the 732 <sup>nd</sup> day from the first day of the bond placement.	Expiry date of the fifth coupon is the starting date of the sixth coupon period being the 915 <sup>th</sup> day from the first day of the bond placement.	Date of the fifth coupon income payment is the 915 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the fifth coupon income payment is the same as that of the first coupon income payment.			

**6<sup>th</sup> Coupon:** The interest rate on the sixth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the third coupon payment. Information on the interest rate on the sixth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the sixth coupon is the 915 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the sixth coupon is the starting date of the seventh coupon period being the 1 098 <sup>th</sup> day from the first day of the bond placement.	Date of the sixth coupon income payment is the 1 098 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
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**Procedure of coupon income payment:**

Procedure of the sixth coupon income payment is the same as that of the first coupon income payment

**7<sup>th</sup> Coupon:** The interest rate on the seventh coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the seventh coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the seventh coupon is the 1 098 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the seventh coupon is the starting date of the eighth coupon period being the 1 281 <sup>st</sup> day from the first day of the bond placement.	Date of the seventh coupon income payment is the 1 281 <sup>st</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b>			
Procedure of the seventh coupon income payment is the same as that of the first coupon income payment			

**8<sup>th</sup> Coupon:** The interest rate on the eighth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the eighth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the eighth coupon is the 1 281 <sup>st</sup> day from the first day of the bond placement.	Expiry date of the eighth coupon is the starting date of the ninth coupon period being the 1 464 <sup>th</sup> day from the first day of the bond placement.	Date of the eighth coupon income payment is the 1 464 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b>			
Procedure of the eighth coupon income payment is the same as that of the first coupon income payment			

**9<sup>th</sup> Coupon:** The interest rate on the ninth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the ninth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the ninth coupon is the 1 464 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the ninth coupon is the starting date of the tenth coupon period being the 1 647 <sup>th</sup> day from the first day of the bond placement.	Date of the ninth coupon income payment is the 1 647 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b>			

Procedure of the ninth coupon income payment is the same as that of the first coupon income payment
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**10th Coupon:** The interest rate on the tenth coupon shall be fixed by the Issuer in numerical value after the state registration of the Report on the results of the bond issue, not later than 10 (ten) working days prior to the date of the sixth coupon payment. Information on the interest rate on the tenth coupon shall be disclosed in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.

Starting date of the tenth coupon is the 1 647 <sup>th</sup> day from the first day of the bond placement.	Expiry date of the tenth coupon coincides with the maturity date and is the 1830 <sup>th</sup> day from the first day of the bond placement.	Date of the tenth coupon income payment is the 1 830 <sup>th</sup> day from the first day of the bond placement. If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
<b>Procedure of coupon income payment:</b> Procedure of the tenth coupon income payment is the same as that of the first coupon income payment			

#### 9.5. Possibility and conditions of Bond redemption before maturity.

*Bond redemption before maturity is not provided.*

#### 9.6. Data on Payment Agents

*Coupon (interest) yield and the redemption sums under the Bonds shall be paid by the Issuer through its Payment agent.*

Full registered name: *Joint-stock commercial bank " ROSBANK " (open joint-stock company)*

Abbreviated name: *OJSC AKB " ROSBANK "*

Location: *11, Masha Poryvaeva Str., Moscow, 107078*

Postal address: *11, Masha Poryvaeva Str., Moscow, 107078*

Date of the General license for realizing banking transactions: *January 27, 2003*

Number of the License: *2272*

The licensing body: *Central Bank of the Russian Federation (Bank of Russia)*

Functions of the Payment agent:

*A Payment agent operates under the Agreement "On Payment Agent" with the Issuer. Pursuant to the Agreement the payment agent is obliged:*

*1. To transfer money on behalf and at the expense of the Issuer to the persons specified in the List of Bond owners and Holders entitled to receive coupon income/amounts of repayment as well as to consult the Issuer on its request on preparation of documents necessary for execution by the Issuer of its obligations on coupon income payments and repayment of the bond issue par value.*

*2. To inform the Issuer on the made payments within 1 (one) working day from the date of coupon income or redemption sums payment.*

*The Issuer is entitled to appoint additional and other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in terms and order stipulated in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the securities.*

**9.7. Description of actions of the Bond owners in case the Issuer fails to execute its obligations under bonds as well as procedure of disclosing the information on default or undue execution of obligations on repayment and payment of income under bonds.**

*In compliance with articles 810 and 811 of the Civil Code of Russia, the Issuer is obliged to repay the bond face value to the owners at redemption and to pay the coupon yield under the Bonds in time and order prescribed by the terms and conditions of the Decision on the Bonds issue and the Prospectus on the bond issue.*

*Default of obligations of the Issuer under Bonds is the essential breach of the conditions of the concluded contract of debt (default) in case of:*

- *Delay in execution of the obligation on payment of the next interest (coupon) payment under the Bond for the term of more than 7 days or refusal to fulfill the specified obligation;*
- *Delay in execution of the obligation on payment of the sum of the basic debt under the Bond for the term of more than 30 days or refusal to fulfill the specified obligation.*

*Execution of the corresponding obligations with delay, however during the above-stated periods, makes a technical default.*

*In case of default or technical default under Bonds owners and-or nominal holders of Bonds are entitled to appeal to the person giving security for Bond issue ("Underwriter") under the conditions of irrevocable offer on the conclusion of the contract of guarantee for the purposes of the Bond Issue.*

*In case of default or technical default under Bonds, execution of obligations of the Issuer before the owners of Bonds on payment of Bond par value and-or the coupon income under Bonds is provided by the Company with limited liability "UTK-Finance" (hereinafter referred to as "Underwriter") in the order stated in item 12.2. of the Decision on bond issue and item 56.14. of the Prospectus on the bond issue.*

*In case of default or technical default the Issuer is obliged to disclose the following information:*

- *Volume of not executed obligations;*
- *The reason of default of obligations;*
- *Possible actions of the owners of Bonds on satisfaction of their claims.*

*According to the Item 395 of the Civil Code of the Russian Federation, in case of default or technical default under Bonds the Issuer shall pay interest for failure to pay the amounts in time to owners of Bonds simultaneously with payment of the due sums.*

*In case of non-execution or undue execution of obligations under the Bonds by the Issuer (including default or technical default), Owners of Bonds can address the court with a claim against the Issuer. In case of non-execution or undue execution of obligations by the Underwriter, Owners of Bonds can file a claim against the Issuer and/or the Underwriter. Owners of Bonds - natural persons can go to the court of the general jurisdiction at the place of the sued party's location, legal persons and individual businessmen - owners of Bonds, can go to the Arbitration court. The Issuer and-or the Underwriter can be sued in the court of general jurisdiction or arbitration court within general limitation period of 3 years.*

## **10. Data on bonds' acquisition.**

*1. The Issuer is entitled to buy Bonds from their owners with a possibility of their further circulation till the maturity date.*

*Bond acquisition by the Issuer cannot start before the date of the state registration of the Report on results of Bond Issue.*

*The Issuer undertakes to acquire all Bonds on demand of owners of Bonds, who submitted orders for Bonds acquisition following the procedure prescribed by the Decision on bond issue and the Prospectus of Bonds, within the last 5 (five) days of the third coupon period under Bonds (hereinafter referred to as - "the first period of submission of orders for the bond acquisition by the Issuer") or the sixth coupon period (hereinafter referred to as - "the second period of submission of orders for the bond acquisition by the Issuer"). The first and the second periods of submission of orders for the bond acquisition by the Issuer are hereinafter referred to as the Periods of submission of orders for the bond acquisition by the Issuer").*

*The Issuer shall acquire the Bonds in the MICEX Stock market Section through Trading and clearing Systems of MICEX in compliance with the Securities Trading Rules of MICEX and other regulatory documents of MICEX effective.*

*In case of reorganization, liquidation of the Moscow Interbank Stock Exchange or if the Bonds' acquisition by the Issuer through the Moscow Interbank Stock Exchange in the order stipulated by the Decision on the bond issue and the Prospectus of the bonds, does not meet the requirements of the applicable legislation of the Russian Federation, the Issuer shall make a decision on the organizer of trade in the equity market through which the Issuer will conclude transactions on the Bonds' acquisition.*

*In that case the Issuer shall acquire the Bonds in accordance with the regulatory documents regulating activity of such organizer of trade in the equity market. Simultaneously with the notice of the Decision on definition of the interest rates of the fourth, fifth, and sixth coupons and-or the notice of the Decision on definition of the interest rates of the seventh, eighth, ninth and tenth coupons the Issuer shall publish the information about the organizer of trade in the equity market through which the Issuer will conclude transactions on the bonds' acquisition. The information should include:*

- *full and abbreviated names of the organizer of trade in the equity market;*
- *its location;*
- *data on the license: number, date of issue, validity, issuing authority;*
- *procedure for the bonds acquisition according to the rules of the organizer of trade.*

*The Issuer shall acquire Bonds on demand of owners of Bonds in the following order:*

*a) During the period of time starting from the 1-st (First) day of the corresponding Period of submission of orders for the bond acquisition by the Issuer and ending on the last day of the given Period of submission of orders for the bond acquisition by the Issuer the owner of Bonds shall send a notice in writing to the Agent of the Issuer (OJSC AKB " ROSBANK ") on intention to sell to the Issuer the certain number of Bonds on the conditions stated in the Decision on bond issue and the Prospectus of Bonds according to the form specified in subitem "d" of the present item (hereinafter referred to as - "Notice"). The notice should be received in any of the days included in the corresponding Period of submission of orders for the bond acquisition by*

*the Issuer. The notice can be sent by registered mail or urgent express service to the address: m/b 208, 11, Masha Poryvaeva str., Moscow, 107078 for the Securities Department. The notice should also be sent to the Agent of the Issuer by fax (095)7252405 for the Securities Department in any of the working days included in the corresponding Period of submission of orders for the bond acquisition by the Issuer.*

*The notice is considered received by the Agent: if delivered by registered mail or handed personally - from the date of the mark about delivery of the original to the addressee, if delivered by fax - from the moment the sender's fax machine receives the confirmation about reception of the Notice by the addressee.*

*b) Bonds shall be acquired by the Issuer at the date of acquisition which is to be determined as follows (hereinafter referred to as - " Date of acquisition"):*

*Date of acquisition of the bonds, orders for which were submitted during the first period of submission of orders for the bond acquisition, is the 5-th (Fifth) working day from the date of the third coupon payment.*

*Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 10.10 of the Prospectus of Bonds and paid in addition.*

*Date of acquisition of the bonds, orders for which were submitted during the second period of submission of orders for the bond acquisition, is the 5-th (Fifth) working day from the date of the sixth coupon payment.*

*Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 10.10. of the Prospectus of Bonds and paid in addition.*

*c) After sending the Notice specified in subitem "a" of item 9.1.2. of the Prospectus on the bond issue and subitem "a" of item 10 of the Decision on bond issue the owner of Bonds being a Member of the MICEX Stock market Section, or a broker - Member of the MICEX Stock market Section operating on behalf and at the expense of the owner of Bonds not being the Member of the MICEX Stock market Section, submits the target order for sale of Bonds through the Trading System of the MICEX Stock market Section according to the MICEX Trading Rules and other bylaws of the MICEX Stock market Section (hereinafter referred to as - " Rules of the Section ") to the Agent of the Issuer being a member of the MICEX Stock market Section, with indication of the price determined in subitem "b" of the present item, number of Bonds to be sold by the owner of Bonds and T0 accounting code.*

*The order shall be submitted to the Trading System from 11:00 a.m. to 03:00 p.m. Moscow time on the corresponding Date of acquisition of Bonds. The number of Bonds specified in the order shall not exceed the number of Bonds specified in the Notice sent by the owner of Bonds according to item 9.1.2. of the Prospectus on the bond issue and item 10 of the Decision on bond issue.*

*If the owner of Bonds is not a Member of the MICEX Stock market Section, he shall conclude the corresponding Agreement with any broker being a Member of the MICEX Stock market Section and give the specified broker instructions on sale of Bonds.*

*According to the conditions of Bonds acquisition by the Issuer the extract from the Register of the trades made up as corresponding appendix to the MICEX Trading Rules and certified by the MICEX authorized signature shall be considered sufficient evidence of submitting the order for sale of Bonds.*

*d) The notice on the intention of the owner of Bonds to sell to the Issuer a certain number of Bonds shall be made under the following form:*

*Hereby \_\_\_\_\_ (First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person) notifies on the intention to sell to Public joint-stock company " Southern telecommunications company " series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, state registration number \_\_\_\_\_, owned by \_\_\_\_\_ (First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person) according to the conditions set forth in the Prospectus of Bonds and Decisions on the bond issue.*

*First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person: \_\_\_\_\_*

*Number of Bonds offered for sale (figures and in words).*

*The name of the Member of the MICEX Stock market Section who on behalf and at the expense of the owner of Bonds will submit the order for sale of Bonds to the Agent of the Issuer in the MICEX Trading System, on the corresponding Date of acquisition of Bonds (if the owner of Bonds is not a Member of the MICEX Stock market Section)*

*The signature of the owner of Bonds*

*Seal of the owner of Bonds - for the legal person.*

*e) Transactions on the Bonds' acquisition by the Issuer shall be concluded in the MICEX Stock market Section according to the MICEX Trading Rules. Not later than at 17:30 Moscow time on the Date of acquisition the Issuer undertakes to conclude transactions with the owners of Bonds being Members of the MICEX Stock market Section, or the brokers - Members of the MICEX Stock market Section operating on behalf and at the expense of the Bonds owners not being Members of the MICEX Stock market Section by sending counter target orders to the orders submitted in compliance with item 10 of the Decision on the bond issue and item 9.1.2. of the Prospectus of the Bonds and kept in the trading system of MICEX by the moment of making the transaction.*

*If the bonds of the issue are acquired by the Issuer, they are to be transferred to the emissive account of depot of the Issuer in NDC.*

*Later, the Bonds acquired by the Issuer can circulate in the secondary market (provided all provisions of the applicable legislation of the Russian Federation are being observed by the Issuer).*

Date of Bond acquisition or the procedure of its determination:

*Date of Bond acquisition by the Issuer can not be prior to the date of the state registration of the Report on the results of the bond issue by the Federal Commission for Securities Market of Russia and the starting date of the secondary circulation of the Bonds.*

*Bonds shall be acquired by the Issuer on the Date of acquisition which is to be determined as follows:*

*Date of acquisition of the bonds, orders for which were submitted during the first period of submission of orders for the bond acquisition, is the 5-th (Fifth) working day from the date of the third coupon payment. Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 10.10 of the Prospectus of Bonds and paid in addition.*

*Date of acquisition of the bonds, orders for which were submitted during the second period of submission of orders for the bond acquisition, is the 5-th (Fifth) working day from the date of the sixth coupon payment. Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 10.10. of the Prospectus of Bonds and paid in addition.*

Procedure of disclosing the information on Bond acquisition upon request of the Bond Owners:

*Not later than 10 (ten) working days before the date of the third coupon income payment the Issuer shall take a decision on determination of the size of interest rates under the fourth, fifth and sixth coupons and publish a notice on such a decision in order and terms specified in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the Bonds;*

*Not later than 10 (ten) working days before the date of the sixth coupon income payment the Issuer shall take a decision on determination of the size of interest rates under the seventh, eighth, ninth and tenth coupons and publish a notice on such a decision in order and terms specified in item 11 of the Decision on the bond issue and item 2.9 of the Emissive Prospectus of the Bonds;*

*The Issuer discloses the information on terms of execution of obligations by the Issuer on the Bonds acquisition in order and terms specified in item 11 of the Decision on the bond issue and item 2.9 of the Prospectus of the Bonds.*

*2. The Issuer can acquire the Bonds under the agreement with their owner (owners) for their further circulation till the maturity date. The Issuer can purchase the Bonds only after the date of the state registration of the Report on the results of the Bond issue. The Issuer is entitled to buy the Bonds of the present issue through the conclusion of transactions of sale and purchase of the Bonds with their owners according to the legislation of the Russian Federation on the basis of public irrevocable offers of the Issuer published in mass media.*

*The Issuer can make separate decisions on purchase of Bonds under arrangement with their owners. Such decision is accepted by the Issuer's Board of Directors with determination of the price, term and procedure for the Bonds acquisition. The information on the accepted decision on purchase of Bonds shall be disclosed by the Issuer in the following time from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on purchase of the Bonds:*

- *in the news tapes of «Interfax» and «AK&M» – within 1 day;*

- in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;
- in the newspapers "Vedomosti" or "Izvestiya" - not later than 5 (five) days from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on purchase of the Bonds;
- in the "Supplement to the Bulletin of the FCSM of Russia",

but not later than 7 (seven) days prior to the starting date of the bonds' acquisition fixed by the Issuer's Board of Directors.

The notice of the approved decision on the Bonds acquisition should include the following information:

- date of the meeting of the Issuer's Board of Directors which approved the decision on the bonds acquisition;
- number and date of drawing up the Minutes of the meeting of the Issuer's Board of Directors which approved the decision on the bonds acquisition;
- series and form of the Bonds, state registration number and date of the state registration of the Bond issue;
- number of the Bonds to be acquired;
- period during which a Bond owner can send to the Issuer's Agent a written notice of intention to sell to the Issuer a certain number of Bonds under conditions established in the Issuer's decision on the Bonds acquisition and published in mass media;
- starting date of the Bonds acquisition by the Issuer;
- expiry date of the Bonds acquisition by the Issuer;
- price of the Bonds acquisition and procedure for its determination;
- procedure for the Bonds acquisition;
- form and term of payment;
- name of the Agent authorized by the Issuer to acquire (repay) Bonds, its location, data on its license of the professional participant of the equity market.

The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) and in the newspapers "Vedomosti" or "Izvestiya" only after its publication in the news tapes.

Simultaneously with the notice of the approved decision on the Bonds acquisition by the Issuer under arrangement with their owners, public irrevocable offer containing all essential provisions of the transaction of sale and purchase of the Bonds should be published in the same organ. The offer should demonstrate the Issuer's willingness to buy the Bonds under the conditions specified in the publication from any owner of the Bonds who has expressed the wish to accept the offer.

Later, the Bonds acquired by the Issuer can circulate in the secondary market (provided all provisions of the applicable legislation of the Russian Federation are being observed by the Issuer).

Procedure of disclosing the information on Bond acquisition under arrangement with the Bond Owners:

The information about the accepted decision on purchase of Bonds under arrangement with their owners shall be disclosed by the Issuer in the following time from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on purchase of the Bonds:

- in the news tapes of «Interfax» and «AK&M» – within 1 day;
- in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;
- in the newspapers "Vedomosti" or "Izvestiya" - not later than 5 (five) days from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on the Bonds acquisition;

but not later than 7 (seven) days prior to the starting date of the bonds' acquisition fixed by the Issuer's Board of Directors.

The notice of the approved decision on the Bonds acquisition should include the following information:

- date of the meeting of the Issuer's Board of Directors which approved the decision on the bonds acquisition;
- number and date of drawing up the Minutes of the meeting of the Issuer's Board of Directors which approved the decision on the bonds acquisition;
- series and form of the Bonds, state registration number and date of the state registration of the Bond issue;
- number of the Bonds to be acquired;
- period during which a Bond owner can send to the Issuer's Agent a written notice of intention to sell to the Issuer a certain number of Bonds under conditions established in the Issuer's decision on the Bonds acquisition and published in mass media;
- starting date of the Bonds acquisition by the Issuer;
- expiry date of the Bonds acquisition by the Issuer;
- price of the Bonds acquisition and procedure for its determination;
- procedure for the Bonds acquisition;

- form and term of payment;
- name of the Agent authorized by the Issuer to acquire (repay) Bonds, its location, data on its license of the professional participant of the equity market.

The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) and in the newspapers "Vedomosti" or "Izvestiya" only after its publication in the news tapes.

Simultaneously with the notice of the approved decision on the Bonds acquisition by the Issuer under arrangement with their owners, public irrevocable offer containing all essential provisions of the transaction of sale and purchase of the Bonds should be published in the same organ. The offer should demonstrate the Issuer's willingness to buy the Bonds under the conditions specified in the publication from any owner of the Bonds who has expressed the wish to accept the offer.

After the fixed term of the Bonds acquisition expires, the Issuer shall publish information on the term of execution of obligations.

The said information shall be published:

- in the news tapes of «Interfax» and «AK&M» – within 1 day;
- in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;
- in the newspapers "Vedomosti" or "Izvestiya" – within 5 (five) days;
- in the "Supplement to the Bulletin of the FCSM of Russia",

#### 11. Procedure of disclosing the information on the Bond Issue by the Issuer.

The Issuer discloses information at each stage of the bond issue as well as in the form of notices of material facts in order established by the Federal law «On Equity Market» № 39-FZ of 22.04.1996, the Federal law «On Joint –Stock Companies» №208-FZ of 26.12.95, Provisions on disclosure of information by Issuers approved by the Federal Commission for Securities' Market of Russia № 03-32/ps of July 2, 2003 (hereinafter referred to as – "Provisions") in order and terms stipulated by the Decision on the securities issue and the Prospectus of the securities. If at the moment of the occurrence of the fact about which the Issuer should disclose information in compliance with the effective federal laws, normative legal acts of the federal body on the equity market, procedure and terms of disclosing information about such fact different from those stipulated by the Decision on the securities issue and the Prospectus of the securities, were established, then the information about such fact shall be disclosed in order and terms stipulated by the federal laws and normative legal acts of the federal body on the equity market, effective at the moment of the occurrence of the fact.

1. The Issuer shall make publication about the decision on the Bond placement in the following time from the date of drawing up the Minutes of the meeting of the Issuer's authorized body which approved the decision on the Bond placement:

- in the news tapes of «Interfax» and «AK&M» – within 1 day;
- in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;
- in the newspapers "Vedomosti" or "Izvestiya" - within 5 (five) days;
- in the "Supplement to the Bulletin of the FCFM of Russia".

2. The Issuer shall make publication about the decision on the securities issue in the following time from the date of drawing up the Minutes of the meeting of the Issuer's authorized body which approved the decision on the securities issue:

- in the news tapes of «Interfax» and «AK&M» – within 1 day;
- in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;
- in the newspapers "Vedomosti" or "Izvestiya" - within 5 (five) days;
- in the "Supplement to the Bulletin of the FCFM of Russia".

3. After the state registration of the Bond issue the Issuer shall publish a notice of the state registration of the Bond issue and the procedure for access to the information about the securities' issue in the following time from the date of the state registration of the Bond issue:

in the news tapes of «Interfax» and «AK&M» – within 3 days;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers "Vedomosti" or "Izvestiya" - within 5 (five) days;  
in the "Supplement to the Bulletin of the FCFM of Russia".

The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) and in the newspapers "Vedomosti" or "Izvestiya" only after its publication in the news tapes.

Within three days from the date of the state registration of the Bond issue the Issue shall publish the text of the registered

Prospectus of the Bonds on the Internet site [www.stcompany.ru](http://www.stcompany.ru).

The text of the registered Prospectus of the Bonds should be available in the Internet from the date of its publication in the Internet site [www.stcompany.ru](http://www.stcompany.ru) till the expiry of 6 months from the date of publication of the registered Report on the results of the bond issue in the Internet site [www.stcompany.ru](http://www.stcompany.ru)

4. The starting date of the Bond placement shall be determined by the Issuer after the state registration of the bond issue and published in the following terms:

in the news tapes of «Interfax» and «AK&M» – not later than 5 days prior to the starting date of the bond placement;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – not later than 4 days prior to the starting date of the bond placement;

5. The Issuer shall publish a notice of the bond placement completion in the following terms from the expiry date of the bond placement:

in the news tapes of «Interfax» and «AK&M» – within 1 day;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.

6. After the state registration of the Report on the results of the Bond issue the Issuer shall publish a notice of the state registration of the Report on the Bond issue in the following time from the date of the state registration of the Report on the Bond issue:

in the news tapes of «Interfax» and «AK&M» – within 3 days;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.

Within three days from the date of the state registration of the Report on the Bond issue the Issuer shall publish the text of the registered of the Report on the Bond issue on the Internet site [www.stcompany.ru](http://www.stcompany.ru).

The text of the registered Report on the Bond issue shall be available in the Internet site [www.stcompany.ru](http://www.stcompany.ru) till the expiry of 6 months from the date of its publication in the Internet site [www.stcompany.ru](http://www.stcompany.ru)

7. After summing up the results of the Auction on determination of the first coupon interest rate individual executive body of the Issuer takes a decision on the size of the first coupon interest rate. The Issuer shall publish information on the taken decision in the following time from the date of taking a decision on determination of the size of the first coupon interest rate:

in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.

8. The Issuer shall inform the MICEX about its decision on the size of the first coupon interest rate in written form not later than 30 minutes prior to its sending to a news agency. After sending notification on the size of the interest rate under the first coupon to a news agency the Issuer informs the Underwriter about the size of the interest rate under the first coupon. The Underwriter informs all members of the MICEX Stock Market Section about the size of the interest rate under the first coupon fixed by the Issuer using MICEX Trading system by means of e-mailing to all members of the MICEX Stock Market Section.

9. After ending of each coupon period the Issuer shall disclose information on the terms of execution of obligations on the coupon income payment under the bonds in the following time from the dates on which the Issuer’s obligations on the coupon income payment are to be executed:

in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.

10. The interest rate on the fourth, fifth and sixth coupons shall be fixed by the Issuer not later than 10 (ten) business days prior to the date of the third coupon payment. The Issuer shall publish information on the taken decision in the following time from the date of taking decision on determination of the size of the interest rate under the fourth, fifth and sixth coupons:

in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.

11. The interest rate on the seventh, eighth, ninth and tenth coupons shall be fixed by the Issuer not later than 10 (ten) business days prior to the date of the sixth coupon payment. The Issuer shall publish information on the taken decision in the following



time from the date of taking decision on determination of the size of the interest rate under the seventh, eighth, ninth and tenth coupons:

in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.

12. After the maturity date the Issuer shall disclose information on the terms of execution of obligations on the bonds redemption in the following time from the maturity date:

in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.

13. In case of default or technical default of the Issuer’s obligations on Bonds the Issuer shall disclose the following information:

- Volume of not executed obligations;
- Reason of default of obligations;
- List of possible actions of Bond owners aimed at satisfaction of their demands.

in the following time from the date on which the Issuer’s obligations are to be executed:

in the news tapes of the information agencies «Interfax» and «AK&M» – within 1 day;  
in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;  
in the newspapers “Vedomosti” or “Izvestiya” - within 5 (five) days;  
in the “Supplement to the Bulletin of the FCFM of Russia”.

14. The information about the approved by the Board of Directors decision on purchase of Bonds under arrangement with their owners shall be disclosed by the Issuer in the following time from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on the Bonds acquisition:

- in the news tapes of «Interfax» and «AK&M» – within 1 day;
- in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;
- in the newspapers “Vedomosti” or “Izvestiya” - not later than 5 (five) days from the date of drawing up the Minutes of the meeting of the Board of Directors of the Issuer which approved the decision on the Bonds acquisition;

but not later than 7 (seven) days prior to the starting date of the bonds’ acquisition fixed by the Issuer’s Board of Directors.

The notice of the approved decision on the Bonds acquisition should include the following information:

- date of the meeting of the Issuer’s Board of Directors which approved the decision on the bonds acquisition;
- number and date of drawing up the Minutes of the meeting of the Issuer’s Board of Directors which approved the decision on the bonds acquisition;
- series and form of the Bonds, state registration number and date of the state registration of the Bond issue;
- number of the Bonds to be acquired;
- period during which a Bond owner can send to the Issuer’s Agent a written notice of intention to sell to the Issuer a certain number of Bonds under conditions established in the Issuer’s decision on the Bonds acquisition and published in mass media;
- starting date of the Bonds acquisition by the Issuer;
- expiry date of the Bonds acquisition by the Issuer;
- price of the Bonds acquisition and procedure for its determination;
- procedure for the Bonds acquisition;
- form and term of payment;
- name of the Agent authorized by the Issuer to acquire (repay) Bonds, its location, data on its license of the professional participant of the equity market.

The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) and in the newspapers “Vedomosti” or “Izvestiya” only after its publication in the news tapes.

Simultaneously with the notice of the approved decision on the Bonds acquisition by the Issuer under arrangement with their owners, public irrevocable offer containing all essential provisions of the transaction of sale and purchase of the Bonds should be published in the same organ. The offer should demonstrate the Issuer’s willingness to buy the Bonds under the conditions specified in the publication from any owner of the Bonds who has expressed the wish to accept the offer.

After the fixed term of the Bonds acquisition expires, the Issuer shall publish information on the term of execution of obligations.

The said information shall be published:

- in the news tapes of «Interfax» and «AK&M» – within 1 day;
- in the Internet site [www.stcompany.ru](http://www.stcompany.ru) – within 3 days;
- in the newspapers "Vedomosti" or "Izvestiya" – within 5 (five) days;
- in the "Supplement to the Bulletin of the FCSM of Russia".

15. In case of reorganization, liquidation of the Moscow Interbank Stock Exchange or if the Bonds' acquisition by the Issuer through the Moscow Interbank Stock Exchange in the order stipulated by the Decision on the bond issue and the Prospectus of the bonds, does not meet the requirements of the applicable legislation of the Russian Federation, the Issuer shall make a decision on the organizer of trade in the equity market through which the Issuer will conclude transactions on the Bonds' acquisition.

In that case the Issuer shall acquire the Bonds in accordance with the regulatory documents regulating activity of such organizer of trade in the equity market. Simultaneously with the notice of the Decision on definition of the interest rates of the fourth, fifth, and sixth coupons and-or the notice of the Decision on definition of the interest rates of the seventh, eighth, ninth and tenth coupons the Issuer shall publish the information about the organizer of trade in the equity market through which the Issuer will conclude transactions on the bonds' acquisition. The information should include:

- full and abbreviated names of the organizer of trade in the equity market;
- its location;
- data on the license: number, date of issue, validity, issuing authority;
- procedure for the bonds acquisition according to the rules of the organizer of trade.

16. The Issuer is entitled to appoint additional and other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in the news tapes of «Interfax» and «AK&M» within 5 days from the date of such appointments or their cancellation as well as in the Internet site [www.stcompany.ru](http://www.stcompany.ru). The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) after its publication in the news tapes of the information agencies «Interfax» and «AK&M».

17. If the conditions of security under the Bonds change for the reasons beyond the reasonable control of the Issuer or owners of the secured Bonds, the Issuer shall publish an official notification of such changes in the news tapes of «Interfax» and «AK&M» within 5 days of their onset as well as in the Internet site [www.stcompany.ru](http://www.stcompany.ru). The notice should be published in the Internet site [www.stcompany.ru](http://www.stcompany.ru) after its publication in the news tapes of the information agencies «Interfax» and «AK&M».

Since the date of publication of the notice on the state registration of the Bond issue and on the procedure for disclosing information contained in the Emissive Prospectus of the Bonds, all interested parties can familiarize themselves with the Decision on the Bond issue and the Prospectus of the Bonds as well as with other documents in compliance with the requirements of the Russia legislation at the following addresses:

Public Joint –Stock Company " Southern Telecommunications Company ", 66, Karasunskaya Str., Krasnodar, 350 000, phone: (8612) 53-20-56, Internet site: <http://www.stcompany.ru>

OJSC AKB " ROSBANK ", 11, Masha Poryvaeva Str., Moscow, 107078, Phone: (095) 234-90-82, 208-90-38.

Payment may be charged for making copies of the Decision on the Bond issue, the Prospectus of the Bonds, the Report on the results of the bond issue and other documents. The price should not exceed costs for their copying.

## 12. Data on Security for the Bonds of the Issue

### 12.1. Data on the person providing security for the bond issue

Person providing security:

Full registered name: *Company with Limited Liability "UTK-Finance "*

Abbreviated name: *"UTK-Finance " Ltd*

TIN: 2308090843

OGRN: 1032304152220

Location: 66, Karasunskaya Str., Krasnodar, 350 000

Kind of security:

*Underwriting*

Size of security (RUR): *Total par value of the Bonds amounting to 3 500 000 000 (three billion five hundred million) rubles and the cumulative coupon income under Bonds.*

## 12.2 Terms of underwriting and procedure of exercising by Bond owners their right on provided security:

*Item 12.2 of the Decision on the Bond Issue and item 9.1.2 of the Prospectus on the bond issue represent the offer of the Underwriter to conclude the contract of guarantee on the stated conditions (hereinafter referred to as - "Offer").*

*By this Offer the Underwriter undertakes to assume liability before the buyers of the bonds (hereinafter referred to as – Owners of the bonds) under the Issuer’s obligations to pay total par value of the Bond issue amounting to RUR 3.5 billion (three and a half billion rubles) as well as cumulative coupon income under Bonds (hereinafter referred to as - Obligations) in the order set forth in the Decision on the bond issue and the Prospectus of the Bonds, aimed at due execution by Public Joint – Stock Company “UTK” (hereinafter referred to as - the Issuer) obligations under series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, total amount of 3 500 000 (three million five hundred thousand) bonds with face value of 1000 (one thousand) rubles each (hereinafter referred to as – Bonds).*

*The Underwriter and the Issuer carry joint liability before Owners of Bonds under Obligations.*

*The size of commitments secured by the Underwriter can not exceed total par value of the Bond issue amounting to 3 500 000 000 (three billion five hundred million) rubles as well as cumulative coupon income under 3 500 000 ( three million five hundred thousand) bonds. The Underwriter shall not be responsible for compensation of the Owners’ legal costs incurred during the arbitration and other losses of Owners and / or penalties caused by default or inadequate performance by the Issuer of its obligations on payment of par value of Bonds and / or coupon income under Bonds.*

*The Underwriter shall execute the Obligations if all the following conditions are present at the same time:*

- A Bond Owner or a person duly authorized by the Owner have submitted a Claim on execution of the corresponding Obligation to the Underwriter (hereinafter referred to as - the Claim);*
- The Claim shall contain:*

- (a) Nature of Obligations that were not performed by the Issuer before the Owner;*
- (b) The size of non-fulfilled Obligations of the Issuer before the Owner;*
- (c) The full registered name (First name, middle initial, last name - for the natural person) of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);*
- (d) The location of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);*
- (e) For the natural person - a series and number of the passport, date of issue and issuing body;*
- (f) Name of the country where the Owner is a tax resident;*
- (g) Number of Bonds owned by the Owner under which payments are to be made; and*
- (h) Essential elements of the bank account of the Owner or the person, authorized to receive payments under Obligations;*

*- The following documents should be enclosed to the Claim:*

- (a) A copy of an extract from the account of depot of the owner of Bonds certified by the Depository recording the rights under Bonds with indication of the number of the Bonds belonging to the Owner;*
  - (b) duly executed according to the effective legislation of the Russian Federation documents confirming powers of the authorized person (in case of submission of the Claim by the authorized person of the owner of Bonds);*
- The Claim shall be signed by the Owner or the person, authorized to receive payments under Obligations. If the Claim is submitted by the legal person, it should contain a seal of this legal person.*

*Claims can be submitted to the Underwriter during two years from the Maturity date of the Bond issue fixed in the Decision on the bond issue and the Prospectus of the Bonds.*

*The Underwriter shall transfer the corresponding payments to the account specified in the Claim not later than 30 (Thirty) days from the date of the receipt of the Claim.*

*Acquisition of Bonds means the acceptance of the Offer, namely, the conclusion of the contract of guarantee between the buyers of the Bonds and the Underwriter on the conditions stated above. The specified contract of guarantee is considered concluded from the moment of obtaining the property rights on Bonds by the first Owner, at that, the written form of the contract of guarantee is considered observed. Rights under the specified contract of guarantee shall be transferred to a purchaser together with other rights on Bonds in the same volume and on the same conditions which exist at the moment of transferring such rights. Transfer of the rights arising from the specified contract of guarantee is declared invalid without transfer of the rights under the Bonds.*

*The Offer is irrevocable.*

*Any dispute arising out of the given Offer and the contract of guarantee concluded by means of the acceptance of the Offer shall be settled by the Arbitration court or in the court of the general jurisdiction at the place of the sued party residence.*

*Terms of underwriting are regulated and subject to interpretation according to the legislation of the Russian Federation.*

Procedure for notification (disclosure of information) about the changes of the conditions of security under the Bonds for the reasons beyond the reasonable control of the Issuer or owners of the secured Bonds:

*The Issuer shall publish an official notification of the changes of the conditions of security under the Bonds for the reasons beyond the reasonable control of the Issuer or owners of the secured Bonds in order and terms specified in item 11 of the decision on the Bond issue and item 2.9. of the emissive Prospectus of the bonds.*

13. The Issuer undertakes to ensure the rights of Bond Owners, provided they observe the procedure for exercising such rights, established by the laws of the Russian Federation .

14. In case the Issuer fails to perform its obligations on Bonds or delays the execution of such obligations the Underwriter – Company with Limited Liability “UTK-Finance” - undertakes to ensure fulfillment of the Issuer’s obligations before the Owners of Bonds on the conditions of the underwriting.

15. Other data stipulated by Standards of issue of bonds and their prospectuses.

*1. Bonds are permitted to freely circulate in stock- exchange and over the counter markets.*

*Non-residents can acquire Bonds according to the current legislation and statutory acts of the Russian Federation.*

*Circulation of Bonds in the secondary market begins on the first calendar day following the date of the state registration of the report on results of the Bond Issue by FCSM of Russia. In the over the counter market bonds are to be circulating without restrictions up to the Maturity Date.*

*Transactions with bonds in the Moscow Interbank Stock Exchange stop on the day following the Date of drawing up the list of owners and/or nominal Holders of Bonds for payment of the coupon income on each coupon (except for the last one), and resume on the day of payment of the corresponding coupon income.*

*Transactions with bonds in MICEX cease on the day following the Date of drawing up the list of owners and/or nominal Holders of Bonds for payment of the last coupon income and repayment of the present Bond Issue.*

*2. The accumulated coupon income on Bonds (NKD) shall be calculated by the following formula:*

$$NKD = C_j * N * (T - T_{j-1}) / 365/100 \%,$$

*Where*

*NKD - accumulated coupon income under each Bond;*

*N - a face value of one Bond;*

*j- serial number of the coupon period, j=1,2,3,4,5,6,7,8,9,10;*

*C<sub>j</sub>- coupon income rate under Bonds in j-th period, annual interest rates;*

*T<sub>j-1</sub>- expiry date of the coupon period with a serial number (j-1);*

*Expiry dates of the coupon periods are fixed by the Decision on the bond issue and the Prospectus of the Bonds. For the first coupon period T<sub>j-1</sub> is the starting date of the bond placement*

*T – date for calculation of the cumulative coupon income.*

*Amount of accumulated coupon income on one Bond is calculated to one kopeck (Methods of mathematical rounding are used, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).*

### **3) IRREVOCABLE OFFER TO CONCLUDE A CONTRACT OF GUARANTEE**

*Company with Limited Liability "UTK-Finance", incorporated under the laws of the Russian Federation, located at the address: 66, Karasunskaya Str., Krasnodar, 350 000 (hereinafter referred to as the Underwriter) in the person of the Director Ivan I. Ignatenko, acting on the basis of the company Charter, with a view to provide proper execution by Public Joint –Stock Company "Southern Telecommunications Company" (hereinafter – the Issuer) its obligations under series 03 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, , total amount of 3 500 000 (three million five hundred thousand) bonds with face value of 1000 (one thousand) rubles each, total par value of the Bond issue amounting to RUR 3.5 billion (three and a half billion rubles (hereinafter referred to as – the Bonds), undertakes to assume liability before the buyers of the bonds (hereinafter referred to as – the Bond Owners) under the Issuer’s obligations to pay total par value of*

**the Bond issue amounting to RUR 3.5 billion (three and a half billion rubles) as well as cumulative coupon income under Bonds (hereinafter referred to as - Obligations) in the order set forth in the Decision on the bond issue and the Prospectus of the Bonds.**

**The Underwriter and the Issuer carry joint liability before Owners of Bonds under Obligations.**

**The size of commitments secured by the Underwriter can not exceed total par value of the Bond issue amounting to 3 500 000 000 (three billion five hundred million) rubles as well as cumulative coupon income under 3 500 000 ( three million five hundred thousand) bonds. The Underwriter shall not be responsible for compensation of the Owners' legal costs incurred during the arbitration and other losses of Owners and / or penalties caused by default or inadequate performance by the Issuer of its obligations on payment of par value of Bonds and / or coupon income under Bonds.**

**The Underwriter shall execute the Obligations if all the following conditions are present at the same time:**

**- A Bond Owner or a person duly authorized by the Owner have submitted a Claim on execution of the corresponding Obligation to the Underwriter (hereinafter referred to as - the Claim);**

**- The Claim shall contain:**

- (a) Nature of Obligations that were not performed by the Issuer before the Owner;**
- (b) The size of non-fulfilled Obligations of the Issuer before the Owner;**
- (c) The full registered name (First name, middle initial, last name - for the natural person) of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);**
- (d) The location of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);**
- (e) For the natural person - a series and number of the passport, date of issue and issuing body;**
- (f) Name of the country where the Owner is a tax resident;**
- (g) Number of Bonds owned by the Owner under which payments are to be made; and**
- (h) Essential elements of the bank account of the Owner or the person, authorized to receive payments under Obligations;**

**- The following documents should be enclosed to the Claim:**

**(b) A copy of an extract from the account of depot of the owner of Bonds certified by the Depositary recording the rights under Bonds with indication of the number of the Bonds belonging to the Owner;**

**(b) duly executed according to the effective legislation of the Russian Federation documents confirming powers of the authorized person (in case of submission of the Claim by the authorized person of the owner of Bonds);**

**- The Claim shall be signed by the Owner or the person, authorized to receive payments under Obligations. If the Claim is submitted by the legal person, it should contain a seal of this legal person.**

**Claims can be submitted to the Underwriter during two years from the Maturity date of the Bond issue fixed in the Decision on the bond issue and the Prospectus of the Bonds.**

**The Underwriter shall transfer the corresponding payments to the account specified in the Claim not later than 30 (Thirty) days from the date of the receipt of the Claim.**

**Acquisition of Bonds means the acceptance of the Offer, namely, the conclusion of the contract of guarantee between the buyers of the Bonds and the Underwriter on the conditions stated above. The specified contract of guarantee is considered concluded from the moment of obtaining the property rights on Bonds by the first Owner, at that, the written form of the contract of guarantee is considered observed. Rights under the specified contract of guarantee shall be transferred to a purchaser together with other rights on Bonds in the same volume and on the same conditions which exist at the moment of transferring such rights. Transfer of the rights arising from the specified contract of guarantee is declared invalid without transfer of the rights under the Bonds.**

**The Offer is irrevocable.**

**Any dispute arising out of the given Offer and the contract of guarantee concluded by means of the acceptance of the Offer shall be settled by the Arbitration court or in the court of the general jurisdiction at the place of the sued party residence.**

**Terms of underwriting are regulated and subject to interpretation according to the legislation of the Russian Federation.**

**Director**

**Company with Limited Liability "UTK-Finance "**

**/I.I.Ignatenko/**

**Seal**