

APPROVED

by the Extraordinary general
stockholders' meeting of
OJSC "Uralsvyasinform"

Protocol №1 dd. 17.12.2002

Chairman of the meeting

*Revised version approved by the
Annual General Meeting of OJSC
"Uralsvyazinform" as of June 25,
2004*

REGULATION
ON THE BOARD OF DIRECTORS
OJSC "URALSVYASINFORM"

1. GENERAL PROVISIONS

- 1.1. The present Regulations on the Board of Directors (hereinafter Regulations), according to the Civil Code of the RF, the Federal law “On Joint-Stock Companies” and the Company Charter define the procedure of calling and holding of the Board of Directors’ sessions, amounts and procedure of remuneration and compensation to the members of the Board of Directors.
- 1.2. The Board of Directors is a collegiate management body of the company, which presides its general performance, except for the issues referred by the Federal laws and by the Company Charter to the shareholders meeting competence.

2. THE BOARD OF DIRECTORS’ OBJECTIVES AND PRINCIPLES

- 2.1. Objectives of the Board of Directors are the achievement of maximum profit and asset increase of the Company, protection of the rights and legitimate interests of the shareholders, and providing with full, authentic and objective public information about the Company.
- 2.2. To realize these objectives the Board of Directors shall act keeping to the following principles:
 - taking decisions on the basis of the reliable information about the Company’s performance;
 - exclusion of limitations of shareholder rights to take part in the management of the Company, to get dividends and information about the Company;
 - achievement of balance of the different shareholders groups interests and taking by the Board of Directors the most objective decisions in the interest of all the Company shareholders.

3. RIGHTS AND OBLIGATIONS OF THE BOARD OF DIRECTORS’ MEMBERS. PROCEDURE OF THEIR EXERCISING

- 3.1. A member of the Board of Directors has a right to:
 - 3.1.1. request from the Company officials any kind of information about the Company’s performance, and documents, according to Article 89 of the Federal law “On Joint-Stock Companies” in accordance with the Regulations;
 - 3.1.2. get for discharge of their duties remuneration and compensation, connected with the performance of the duties of a member of the Company’s Board of Directors in cases and amounts set forth hereby;
 - 3.1.3. request to enter in the minutes of the session of the Board of Directors his/her individual opinion on the agenda’s items and on decisions taken.
- 3.2. A member of the Board of Directors shall:
 - 3.2.1. be loyal to the Company, that is to refrain from taking advantage of his/her official position in the Company in the interests of other people;
 - 3.2.2. act within the limits of his/her rights and according to the objectives and principals of the Board of Directors activities;
 - 3.2.3. act reasonably and in good faith towards the Company;
 - 3.2.4. not disclose known to him/her confidential information about the Company;
 - 3.2.5. initiate sessions of the Board of Directors in case of urgent issues;
 - 3.2.6. take part in the process of making decisions voting on the items on the agenda at the sessions of the Board of Directors;
 - 3.2.7. take thoroughly-thought decisions, having studied for that all the necessary information;

- 3.2.8. when taking decisions evaluate risks and ill effects;
 - 3.2.9. report to the Company in time about his/her turning to affiliated company and about changes concerning this;
 - 3.2.10. inform the Board of Directors about planned deals with conflict of interests where he/she may be found an interested party.
 - 3.2.11. report the information on his/her shareholding in the Company and other Issuers, stakes held in charter capital of other organizations, and sale and (or) purchase of the said securities, stakes within 1 month since the date of election to the Board of Directors and (or) the transaction date.
- 3.3. Members of the Board of Directors shall act on permanent basis and is not limited by participation in the Board of Directors' process of taking decisions.
- 3.4. On the Board of Directors' written or oral request the Company shall provide access to the documents and information in accordance with article 3.1.1. hereof.
In this case, the required information and documents shall be presented to the member of the Board of Directors for examination within 5 days from the date when the corresponding request was submitted.
On the member's of the Board of Directors request the Company shall provide him with copies of the necessary documents.

4. THE CHAIRMAN OF THE BOARD OF DIRECTORS

- 4.1. The members of the Board of Directors shall elect the Chairman of the Board of Directors from the Board of Directors' members at the first session by a majority vote of members of the Board of Directors participating in this election.
- 4.2. A person, acting as the sole executive body, shall not simultaneously act as the Chairman of the Board of Directors.
- 4.3. The Board of Directors has the right to reelect the Chairman of the Board of Directors at any time.
- 4.4. Members of the Board of Directors have the right to elect the vice-chairman. In the absence of the Chairman of the Board of Directors the vice-chairman shall perform all his duties (including power to sign documents). In of absence of the vice-chairman, his/her responsibilities are fulfilled by one of the members of the Board of Directors, elected on the decision of the Company's Board of Directors, taken by a majority vote of members, participating at the session.
- 4.5. The Chairman of the Board of Directors shall organize the work of the Board of Directors, convene its sessions, and organize keeping session minutes.
- 4.6. The Chairman of the Board of Directors has no right to charge any other person with his/her duties.

5. THE SECRETARY OF THE BOARD OF DIRECTORS

- 5.1. The members of the Board of Directors shall appoint the Secretary of the Board of Directors at its first session by a majority vote of members of the Board of Directors participating in this session.
- 5.2. The Board of Directors has the right to discharge the Secretary of the Board of Directors of his/her duty at any time.
- 5.3. In the absence of the Secretary of the Board of Directors, another person, appointed by a majority vote of members, participating at the session to fulfill his/her duties.
In case of appointment of the Company's Corporate Secretary on the decision taken by the Board of Directors, he/she shall perform duties of the Secretary of the Board of Directors, in compliance with the Regulation on Corporate Secretary.
- 5.4. The Secretary of the Board of Directors is entitled to:

- 5.4.1. request from the Company officials information and documents, necessary for preparing the information on the agenda's items at the sessions of the Board of Directors;
- 5.4.2. receive remuneration and compensation for the fulfillment of his/her duties, as the Secretary of the Board of Directors, in accordance with established by the Board of Directors procedure and amounts.
- 5.5. The Secretary of the Board of Directors shall:
 - 5.5.1. take and draw up minutes of the sessions of the Board of Directors;
 - 5.5.2. keep records of incoming documents, keep the incoming original documents and copies of the outgoing documents of the Board of Directors;
 - 5.5.3. inform the members of the Board of Directors on the sessions of the Board of Directors in accordance with procedure and terms established hereby;
 - 5.5.4. send out to the members of the Board of Directors information necessary for discussion of the agenda items at the session of the Board of Directors in accordance with procedure and terms established hereby;
 - 5.5.5. fulfill other duties set forth by these Regulations.

6. SESSION OF THE BOARD OF DIRECTORS

- 6.1. A session of the Board of Directors may be held in the form of joint attendance, or absentee vote.
 - 6.2. Sessions of the Board of Directors shall be held regularly in accordance with the established at the session of the Board of Directors plan of activities.
 - 6.3. The session of the Board of Directors is convened by the Chairman of the Board of Directors on his own initiative, or on the request of a member of the Board of Directors, Auditing Commission, the Company's auditors, sole or collegial executive body of the Company or shareholders (shareholder) owning at least 5 per cent of the Company's voting shares.
 - 6.4. The request on the calling of a session of the Board of Directors shall contain the following information:
 - 6.4.1. the name of the calling initiator, the body or the legal entity, making the request;
 - 6.4.2. if the request is made by a shareholder, then the number and the type of shares held;
 - 6.4.3. the session form (joint attendance or absentee vote);
 - 6.4.4. the date of the session, if it's the joint attendance form, or if it is absentee vote form, then the cut-off date for written opinions of the members of the Board of Directors on the agenda items;
 - 6.4.5. the agenda;
 - 6.4.6. information list (materials) to be given to the members of the Board of Directors for the session;
 - Besides the request on session of the Board of Directors may contain the following information:
 - 6.4.7. time and place of the session (joint attendance form);
 - 6.4.8. draft decisions on agenda items;
 - 6.4.9. other information at calling initiator choice;
 - 6.5. The notification on session of the Board of Directors with the necessary information shall be sent to every member of the Board of Directors not later than 14 days prior to the session.
- All the above-mentioned terms can be reduced in case of urgent issues and if no one among the Board of Directors objects.
- If in compliance with the legislation in force the session should be held undertime, the notification and necessary information sent-term shall be reduced.

The session notification shall be sent to the members of the Board of Directors in the written form or in any other convenient form (including mail, telegraph, telephone e-mail or any other type of communications).

The session notification shall contain the information, stated in articles 6.4.3. – 6.4.8. hereof and the address to which the member of the Board of Directors may send their written opinions.

Under the circumstances, when the session can be hardly or not held at the place or time which were notified to the members, the session on the scheduled agenda can be held at another place and (or) at another time.

On the place or time of the Board of Directors session changing, the members of the Board of Directors shall be informed taking into consideration the reasonable time needed for the members of the Board of Directors to arrive to the session of the Board of Directors. The above-mentioned changing notification shall be sent to the members of the Board of Directors in any form, ensuring the notification receipt by the member of the Board of Directors at his/her location address or at the correspondence address.

The first (organizational) session of the Board of Directors (in case when the decision on the members of the Board of Directors election, and its results were announced at the General Shareholders Meeting, when the election was held) shall be held without any preliminary notification on the day of the general shareholders meeting, on which the Board of Directors is elected.

6.6. When taking a decision by the Board of Directors the members of the Board of Directors, participating in the session shall express their opinions by means of voting on agenda items.

6.7. If a member of the Board of Directors cannot be present at the session, and when the session is organized in the form of absentee vote, a member of the Board of Directors shall express his/her opinion on the agenda items in the written form.

If the his/her written opinion contains his/her voting, it shall be taken into account when defining the quorum and estimating the voting results.

The written opinion shall be presented by the member of the Board of Directors prior to the session, or if the session is held in the form of absentee vote, not later than the cut-off date for written opinions of the members of the Board of Directors on the agenda items.

6.8. The presiding person shall announce the written opinion of the absent member of the Board of Directors prior to the voting on the agenda item which the written opinion concerns.

If a written opinion contains an essentially different resolution, than that initially proposed for voting, the Secretary of the Board of Directors shall inform other members of the Board of Directors with the stated opinion prior to drawing up the minutes. The Secretary of the Board of Directors shall also propose to express the members' opinions by means of voting, in the written or any other convenient form (including mail, telegraph, teletype, telephone, e-mail or any other communications).

6.9. Prior to taking the decision on the issue, which preliminary discussion was executed by the committees of the Board of Directors, the members of the Board of Directors should have an opportunity to study the corresponding committees' conclusions (recommendations).

6.10. On taking the decision at the session of the Board of Directors every member of the Board of Directors has one vote.

Assignment of voting right by a the Board of Directors' member to any other person including the Board of Directors' member, shall be excluded.

In case of votes parity when taking a decision by Board of Directors' members, the Chairman of the Board of Directors has a casting vote.

6.11. At the session of the Board of Directors the Secretary of the Board of Directors keeps the minutes. The minutes of the session of the Board of Directors shall be drawn up not later than 3 days after the joint attendance meeting (after the cut-off date for written opinions of the members of the Board of Directors on the agenda items in case of absentee vote).

The session minutes shall contain:

- place and time of the joint present meeting, or the place of the minutes drawing up and the cut-off date for written opinions of the members of the Board of Directors on the agenda items in case of the absentee vote;
- persons participating in the session (in case of joint attendance);
- persons sent their written opinions;
- agenda of the session;
- items to be voted and the results of voting;
- decisions taken.

The Minutes shall be signed by a presiding at the session person and by the Board of Directors' Secretary.

On taking into account the written opinions of the members of the Board of Directors on the agenda, received from the members of the Board of Directors when defining the quorum and the voting results on the agenda items, the written opinions shall be attached to the Minutes.

The Company shall keep the minutes of the sessions of the Board of Directors at its executive body location in accordance with procedure and terms established by the Federal body of the executive power on the equity market;

The Company shall provide the shareholders, the members of the Board of Directors and of the Auditing Commission and the Company's auditors with the access to the minutes of the sessions of the Board of Directors.

6.12. In cases when in accordance with the Company's Charter a decision is taken by at least three quarters of the votes or unanimously by all the members of the Board of Directors not taking into account votes of the retired members of the Board of Directors, the discharged members of the Board of Directors shall be deemed those who are dead, missing and acknowledged as unable to function.

7. REMUNERATION AND COSTS COMPENSATION PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS IN CONNECTION WITH THEIR DUTIES FULFILLMENT

7.1. The members of the Board of Directors within the period they fulfill their duties shall receive remuneration and compensation therefor.

7.2. The remuneration shall be paid quarterly and annually.

7.3. Quarterly remuneration to every member shall be fixed at the rate of RUR200 000.

Quarterly remuneration to the Chairman of the Board of Directors shall be multiplied by 1,5.

The quarterly remuneration to a member of the Board of Directors is reduced:

- by 30% - if he/she is present at less than a half of the joint attendance sessions of the Board of Directors;

-by 100% - if he/she is present at less than a half of all sessions of the Board of Directors

If the Board of Directors was re-elected in one of the quarters, the quarterly remuneration shall be paid in proportion with the time worked.

7.4. The annual remuneration for all the membership of the Board of Directors shall be defined in compliance with the percentage as follows:

- A percentage of EBITDA in compliance with IAS accounting statements as of reporting period
- A percentage of net profit of the company allocated for dividend payment as of the reporting year

The annual remuneration shall be distributed between members of the Board of Directors in equal proportion. The annual remuneration of a member of the Board of Directors shall be reduced by 50 % in case of his attendance of less than a half of sessions of the Board in the period of his powers as member of the Board of Directors.

7.5 Rates (percent) of quarterly and annual remunerations shall be determined by the General Shareholders Meeting's decision, electing this Board of Directors

7.6 The annual remuneration to each member of the Board of Directors shall be paid not later than 3 months within the termination of powers of this Board of Directors

7.7 Members of the Board of Directors who are also members of the Board's Committees shall be paid an additional quarterly compensation at the rate of RUR40 000 (per each Committee) in connection with fulfillment of their duties. A member of the Board shall not be entitled to participate in more than 2 Committees.
The said additional compensation if paid to Chairman shall be multiplied by 1,25.

7.8. The members of the Board of Directors have the right to take part in option programs, realized by the Company.

8. PROCEDURE OF REGULATIONS' APPROVAL AND THEIR AMENDING

8.1. These Regulations shall be approved at the General Shareholders Meeting by the majority of shareholders owning Company voting shares.

8.2. These Regulations may be supplemented and amended at the General Shareholders Meeting by the majority of shareholders owning Company voting shares.

8.3. If resulting from the change of Russian Federation legislation or the Company Charter some articles hereof conflict with them, the Regulations shall be used in part not conflicting with legislation in force and the Company Charter.