

APPROVED  
by the General Shareholders Meeting  
of the Mobile TeleSystems  
Open Joint Stock Company  
« » \_\_\_\_\_ 2008, Protocol № \_\_\_\_

**RULES AND REGULATIONS**  
**ON THE GENERAL SHAREHOLDERS MEETING**  
**of the Mobile TeleSystems Open Joint Stock Company**

Moscow, 2008

## **1. GENERAL PROVISIONS**

1.1. The Rules and Regulations on the General Shareholders Meeting of the Mobile TeleSystems Open Joint Stock Company (hereinafter referred to as the «Regulations») define the procedure for convocation, conducting and summarizing the results of the General Shareholders Meeting of MTS OJSC in compliance with the Civil Code of the Russian Federation, Federal Law on Joint Stock Companies, other normative legal acts of the Russian Federation and the Charter of the Mobile TeleSystems Open Joint Stock Company (hereinafter referred to as MTS OJSC or the «Company»).

1.2. The General Shareholders Meeting (GSM) is the supreme management body of the Company.

1.3. The General Shareholders Meeting can be conducted in the form of a meeting (joint presence of shareholders for discussing agenda items and making decisions on the issues put to vote) and in the form of absentee voting.

1.4. The Company shall insure equal opportunities for participation of all MTS OJSC shareholders in the General Shareholders Meeting.

1.5. If any issues relating to the convocation, preparation and conduct of the General Shareholders Meeting are not regulated by the norms of the Company Charter and these Regulations, they shall be sorted out in compliance with the norms of the RF legislation, taking into account the need to ensure the implementation of all rights and interests of the Company shareholders.

1.6. The MTS OJSC General Shareholders Meeting shall be conducted in Moscow at the address to be determined by the Company Board of Directors in the process of convocation and preparation of the General Shareholders Meeting.

## **2. TERMS OF REFERENCE OF THE GENERAL SHAREHOLDERS MEETING**

2.1. The terms of reference of the General Shareholders Meeting shall be determined by the RF legislation and the Company Charter. The issues, which are within the terms of reference of the General Shareholders Meeting, cannot be handed over to the Company Board for Directors or executive body for making a decision. The General Shareholders Meeting shall have no right to consider and to make decisions on the issues outside its terms of reference. The following issues fall within the terms of reference of the General Shareholders Meeting:

2.1.1. Introduction of amendments and additions to the Company Charter (except for the cases, when the adoption of a corresponding resolution is within the terms of reference of the Company Board of Directors), as well as the approval of the Company Charter as amended;

2.1.2. Reorganization of the Company;

2.1.3. Liquidation of the Company, appointment of the liquidation commission and approval of the intermediary and final liquidation balances;

2.1.4. Determination of the size of the Company Board of Directors, election of its members and adoption of a resolution on the early termination of powers of all members of the Company Board of Directors, as well as adoption of a resolution on the payment of remuneration and (or) procedure for compensation of the costs of the members of the Company Board of Directors during their term of office;

2.1.5. Determination of the quantity, par value, category (type) of authorized shares and the rights granted by these shares;

2.1.6. Increase of the Company charter capital through the increase of the par value of the shares;

2.1.7. Increase of the Company charter capital through the distribution of additional shares only among the Company shareholders in the event that the charter capital increases due to the increase of its assets;

2.1.8. Increase of the Company charter capital through the placement of additional shares of the Company by closed subscription;

- 2.1.9. Increase of the Company charter capital through the placement of Company common shares making up not more than 25% (twenty five percent) of previously placed shares, by open subscription;
- 2.1.10. Increase of the Company charter capital through the placement of additional shares within the limits on the quantity and categories (types) of authorized shares stipulated by the law, in the event that the Company received a voluntary or compulsory offer regarding the acquisition of shares as well as other emission securities convertible into Company shares;
- 2.1.11. Decrease of the Company charter capital through the decrease of the par value of shares, through the buy-back by the Company of a certain portion of shares in order to decrease their total quantity, as well as through the redemption of the shares acquired or bought back by the Company;
- 2.1.12. Placement of emission securities convertible into common shares of the Company by closed subscription as well as by open subscription, if their quantity does not exceed 25% (twenty five percent) of the total number of previously placed common shares of the Company;
- 2.1.13. Placement by the Company of securities convertible into shares, including Company stock options, in the event that the Company received a voluntary or compulsory offer regarding the acquisition of shares as well as other emission securities convertible into Company shares in accordance with the procedure stipulated by the Law.
- 2.1.14. Determination of the size of the Auditing Commission, election of the members of the Auditing Commission and adoption of a resolution on the early termination of their powers, as well as adoption of a resolution on the payment of remuneration and (or) procedure for compensation of the costs of the members of the Company Auditing Commission during their term of office;
- 2.1.15. Approval of the Company's auditor;
- 2.1.16. Payment (announcement) of dividends based on the results of the first quarter, half-year, nine months of a financial year;
- 2.1.17. Approval of annual reports, annual financial statements, including profit and loss reports (profit and loss account) of the Company, as well as distribution of net income (including payment (announcement) of dividends, except for the net income, distributed as dividends based on the results of the first quarter, half-year, nine months of the financial year) and losses of the Company based on the results of the financial year;
- 2.1.18. Determination of the procedure for conducting General Shareholders Meetings;
- 2.1.19. Determination of the size of the Counting Commission, election of the members of the Counting Commission and early termination their powers;
- 2.1.20. Splitting and consolidation of shares;
- 2.1.21. Adoption of resolutions on the approval of related party transactions in cases envisaged by article 83 of the Federal Law on Joint Stock Companies and other legal norms of the legislation of the Russian Federation;
- 2.1.22. Adoption of resolutions on the approval of major transaction relating to the acquisition and alienation of property by the Company in cases envisaged by article 79 of the Federal Law on Joint Stock Companies and other legal norms of the legislation of the Russian Federation;
- 2.1.23. Buy-back by the Company of placed shares in cases envisaged by the legislation of the Russian Federation;
- 2.1.24. Adoption of resolutions on participation in financial and industrial groups, associations and other unions of commercial organizations;
- 2.1.25. Approval of internal documents regulating the Company activity;
- 2.1.26. Making decision on other issues envisaged by the Company Charter, Federal Law on Joint Stock Companies and other legal norms of the legislation of the Russian Federation.

### **3. ANNUAL GENERAL SHAREHOLDERS MEETING**

3.1. The Company shall hold annual General Shareholders Meetings no earlier than two months and not later than six months after the end of the financial year of the Company. The date of the annual General Shareholders Meetings shall be determined by the board of Directors.

3.2. The financial year of the Company shall be the year from January 1<sup>st</sup> through to December 31<sup>st</sup> of the current year.

3.3. The annual General Shareholders Meetings shall be convened by the Board of Directors. This decision shall be a majority decision of the members of the Board of Directors present at the meeting.

3.4. Every year the annual General Shareholders Meeting shall make decisions on the following issues:

3.4.1. Election of the Company Board of Directors;

3.4.2. Approval of annual reports, annual financial statements, including profit and loss reports (profit and loss accounts) of the Company, as well as distribution of net income (including payment (announcement) of dividends, except for the net income, distributed as dividends based on the results of the first quarter, half-year, nine months of the financial year) and losses of the Company based on the results of the financial year;

3.4.3. Election of the members of the Company Auditing Commission;

3.4.4. Approval of the Company's auditor.

3.5. At the proposal of shareholders or the Board of Directors, other issues, being within the terms of reference of the General Shareholders Meeting according to the legislation of the Russian Federation, can be included on the agenda of the annual General Shareholders Meeting in accordance with the procedure and within the time stipulated in the Company Charter and these Regulations.

3.6. The shareholders, holding in aggregate no less than 2 percent of voting shares of the Company shall have the right to propose an issue to be included on the agenda of the annual General Shareholders Meeting. Such proposals shall be submitted to the Company within 100 days after the end of the financial year.

Proposals regarding the agenda shall be made in writing and be sent by registered mail to the address of the Company or by registered mail to the address of the Company with a confirmation receipt requested or shall be delivered personally against the signature of the secretary of the Board of Directors or delivered to the administrative office of the Company or any other division authorized to receive written messages addressed to the Company.

3.7. The proposal to include issues on the agenda of the annual General Shareholders Meeting shall comprise:

3.7.1. Wordings of the issues to be included on the agenda of the General Shareholders Meeting;

3.7.2. The names, patronymic names and surnames (company names) of the shareholders who put forward the proposals, information on the shares belonging to them (quantity, category (type)).

The proposal shall be signed by the shareholder or the shareholder's authorized representative. If the proposal is signed by an authorized representative, a power of attorney shall be attached, which shall be executed in accordance with the requirements of article 185 of the RF Civil Code or duly notarized (a copy of the power of attorney duly notarized). If the power of attorney is issued by way of transfer of powers, then in addition to it or its copy the power of attorney (or its copy) on the bases of which this power of attorney was issued, shall be submitted.

The shareholders, whose ownership right to the shares is registered in the register of the owners of the Company securities, shall not provide documentary confirmation of their rights when proposing issues to be included on the agenda of the annual General Shareholders Meeting or nominating candidates to the management and control bodies of the Company. If the proposal to include an issue on the agenda of the annual General Shareholders Meeting is signed by a shareholder (a shareholder's representative), whose right to the shares is registered as an entry to the DEPO account with the depository, a statement of the DEPO account with the depository that is responsible for registration of the ownership right to the abovementioned shares, dated not earlier

than three working days before the date of sending the corresponding proposal, shall be attached to such proposal.

3.8. The Board of Directors shall consider the proposals received and make a decision on their inclusion on the agenda of the annual General Shareholders Meeting or on the refusal to include them on the agenda within 5 working days from the deadline for submitting proposals, specified in item 3.6 of these Regulations.

3.9. A resolution to refuse to include the issue on the agenda of the annual General Shareholders Meeting can be by the Board of Directors in the following cases:

3.9.1. The deadline for submission of the proposal, established by the Company Charter and these Regulations, has not been observed;

3.9.2. The proposal does not comply with the requirements of the legislation, Company Charter and these Regulations;

3.9.3. The shareholders, who submitted the proposals, were not the owners of a required number of voting shares on the date of submission of the proposal;

3.9.4. The issue proposed for inclusion on the agenda, does not fall within the terms of reference of the General Shareholders Meeting pursuant to the legislation and the Company Charter and(or) does not comply with the requirements of the RF legislation;

3.10. A substantiated resolution to refuse to include the issue on the agenda of the annual General Shareholders Meeting shall be sent by registered mail or delivered personally against the signature to the shareholder who submitted the issue, within 3 days of the adoption of the resolution.

3.11. The decision of the Board of Directors to refuse to include the issue on the agenda of the annual General Shareholders Meeting can be appealed to a court.

3.12. The Company Board of Directors shall have no right to amend the wordings of the issues proposed for inclusion on the agenda of the General Shareholders Meeting, and the wordings of the resolutions on such issues.

3.13. Shareholders who own in aggregate at least 2 percent of the voting shares of the Company on the date of submission of a proposal can annually nominate for election at the annual General Shareholders Meeting candidates to the Board of Directors, the Auditing Commission, Counting Commission of the Company. Such proposal shall be submitted to the Company within 100 from the end of the financial year. The number of candidates in one application cannot exceed the number of the members of respective bodies set by the Charter of the Company or by the General Shareholders Meeting.

3.14. An application (proposal) to nominate candidates shall be made in writing and be sent by registered mail to the address of the Company or by registered mail to the address of the Company with a confirmation receipt requested or shall be delivered personally against the signature of the secretary of the Board of Directors or delivered to the administrative office of the Company or any other division authorized to received written messages addressed to the Company.

3.15. The following information shall be included in an application (including the cases of self-nomination):

3.15.1. The surname, name and patronymic name of the candidate and, if the candidate is a Shareholder of the Company, the number of shares owned by him, details of the document certifying the personality of the candidate (series and (or) number of the document, date and place of its issue, body that issued the document);

3.15.2. The name of the body of the Company, for election to which the candidate is nominated;

3.15.3. Other information on the candidate, stipulated by the Charter of the Company or internal document of the Company;

3.15.4. The names, patronymic names and surnames (company names) of the shareholders nominating the candidates and the number, category (type) of shares owned by them.

The application shall be signed by the shareholder or the shareholder's authorized representative. If the proposal is signed by an authorized representative, a power of attorney shall be attached, which shall be executed in accordance with the requirements of article 185 of the RF Civil Code or duly notarized (a copy of the power of attorney duly notarized). If the power of attorney is issued by way

of transfer of powers, then in addition to it or its copy the power of attorney (or its copy) on the bases of which this power of attorney was issued, shall be submitted.

If the proposal to nominate the candidates is signed by a shareholder (a shareholder's representative), whose right to the shares is registered as an entry to the DEPO account with the depository, a statement of the DEPO account with the depository that is responsible for registration of the ownership right to the abovementioned shares, dated not earlier than three working days before the date of sending the corresponding proposal, shall be attached to such proposal.

A written consent of a candidate to be elected to the body of the Company, to which the candidate is nominated, can be attached. Information on the availability or the lack of a written consent of the candidate to stand for election shall be brought to the notice of the persons entitled to participate in the General Shareholders Meeting.

3.16. The Board of Directors shall consider the applications submitted and decide whether to include the nominees on the list of candidates for voting at the annual General Shareholders Meeting to elect the members of the Board of Directors, Auditing Commission, Counting Commission, as well as to the position of the individual executive body (the President) of the Company, or to refuse inclusion within 5 days from the deadline for submission of proposals established by the Company's Charter and these Regulations.

3.17. The Board of Directors can adopt a resolution to refuse to include nominees on the list of candidates for voting in cases stipulated in items 3.9.1-3.9.3 of these Regulations.

3.18. A substantiated resolution of the Company Board of Directors to refuse to include the nominee on the list of candidates for voting to elect the members of the Board of Directors, Auditing Commission, Counting Commission shall be sent by registered mail or delivered personally against the signature to the shareholders who submitted the proposal, within 3 days of the adoption of the resolution.

3.19. If in the proposal to include an issue on the agenda of the General Meeting of Shareholders or to nominate candidates to the bodies of the Company, it is stated that the proposal is submitted by several Shareholders, but the proposal is signed only by some of them, then such proposal shall be deemed submitted by those Shareholders (Shareholder) who signed it. The Board of Directors shall consider such proposal and shall not be entitled to refuse its satisfaction on the grounds of absence of the signatures of all Shareholders, mentioned in the proposal if the number of votes of the shareholders, who signed it, is sufficient for its submission.

3.20. The votes of the Shareholders who signed different proposals to include issues on the agenda of the annual General Shareholders Meeting shall not be summed up. Each proposal to include issues on the agenda of the annual General Shareholders Meeting shall be considered by the Board of Directors separately.

It shall be deemed that the Shareholders submitted a joint proposal for inclusion on the agenda of the annual General Shareholders Meeting, if the signed one such proposal.

3.21. In addition to the issues proposed by the shareholders for inclusion on the agenda of the annual General Shareholders Meeting as well as in the event that no such proposals has been submitted or in the event that no candidates or insufficient number of candidates were nominated by the shareholders for forming a corresponding body, the Board of Directors shall have the right to include on the agenda of the annual General Shareholders Meeting issues and to include in the list of nominees candidates at its own discretion. If a shareholder offered a wording of a decision proposal on the issue of the agenda of the annual General Shareholders Meeting the decision on which can be made only at the proposal of the Board of Directors, the Board of Directors shall include in the proposed wording the issue proposed by the shareholder for inclusion on the agenda of the annual General Shareholders Meeting, but shall have the right to propose its own wording of the decision on such issue.

#### **4. EXTRAORDINARY GENERAL SHAREHOLDERS MEETING**

4.1. General Shareholders Meetings that are held in addition to the annual General Shareholders Meeting are called extraordinary.

4.2. An extraordinary General Shareholders Meeting shall be held pursuant to the resolution of the Board of Directors on the basis of:

4.2.1. Its own initiative;

4.2.2. Request of the Auditing Commission of the Company;

4.2.3. Request of the Company's auditor;

4.2.4. Request of the shareholders (shareholder), being the owners of not less than 10 (ten) percent of voting shares of the company on the date of submission of the request.

4.3. Requests for convening an extraordinary General Shareholders Meeting shall contain the wordings of the issues for inclusion on the agenda of the meeting.

A request may contain the wordings of resolutions on each issue of the agenda, stated in the request and the proposed form of the General Shareholders Meeting.

4.4. The resolution of the Board of Directors to initiate the convocation of an extraordinary General Shareholders Meeting shall be adopted by majority vote of the members present at the meeting of the Board of Directors.

The minutes of the Board of Directors at which this decision was made, shall contain the names of the members of the Board of Directors, who voted for the adoption, against the adoption or abstained.

4.5. The decision of the Company Auditing Commission on the convocation of an extraordinary General Shareholders Meeting shall be made by majority vote of the Auditing Commission members present at the meeting and shall be submitted to the Company Board of Directors. The request for convening shall be signed by the Auditing Commission members, who voted for the resolution on the convocation of the meeting.

A request of the auditor, initiating the convocation of an extraordinary General Shareholders Meeting, shall be signed by the auditor and submitted to the Company Board of Directors.

4.6. The shareholders holding in aggregate not less than 10 percent of voting shares of the Company and being the initiators of the convocation of an extraordinary General Shareholders Meeting, shall submit to the Board of Directors a written request that contain the wordings of the agenda items, surnames, names and patronymic names (company name) of the shareholders, requesting the convocation of an extraordinary General Shareholders Meeting and the information on the quantity and categories (types) of the shares belonging to them.

The request shall be signed by the shareholder or his authorized person (representative). If the request is signed by the authorized person (representative) a power of attorney shall be attached, which shall be executed in accordance with the requirements of article 185 of the RF Civil Code or duly notarized (a copy of the power of attorney duly notarized). If the power of attorney is issued by way of transfer of powers, then in addition to it or its copy the power of attorney (or its copy) on the bases of which this power of attorney was issued, shall be submitted.

The shareholders whose ownership right to the shares is registered in the register of the owners of the Company securities, shall not provide documentary confirmation of their rights when submitting a request for the convocation of an extraordinary General Shareholders Meeting, proposing issues to be included on the agenda of the annual General Shareholders Meeting or nominating candidates to the elective management bodies. If the request for the convocation of an extraordinary General Shareholders Meeting is signed by a shareholder (a shareholder's representative), whose right to the shares is registered as an entry to the DEPO account with the depository, a statement of the DEPO account with the depository that is responsible for registration of the ownership right to the abovementioned shares, dated not earlier than three working days before the date of sending the corresponding request, shall be attached to such proposal.

4.7. If a request for the convocation of an extraordinary General Shareholders Meeting contains a proposal to nominate candidates for election to Company bodies, such request shall contain the following information:

4.7.1. The surname, name and patronymic name of the candidate and, if the candidate is a Shareholder of the Company, the number of shares owned by him, details of the document certifying the personality of the candidate (series and (or) number of the document, date and place of its issue, body that issued the document);

4.7.2. The name of the body, for election to which the candidate is nominated;

4.7.3. Other information on the candidate, stipulated by the Charter of the Company or internal document of the Company;

4.7.4. The names, patronymic names and surnames (company names) of the shareholders nominating the candidates and the number, category (type) of shares owned by them.

A written consent of a candidate to be elected to the body of the Company, to which the candidate is nominated, can be attached. Information on the availability or the lack of a written consent of the candidate to stand for election shall be brought to the notice of the persons entitled to participate in the General Shareholders Meeting.

4.8. The request of the initiators of the convocation of an extraordinary General Shareholders Meeting shall be submitted in writing and sent by registered mail to the address of the Company or by registered mail to the address of the Company with a confirmation receipt requested or shall be delivered personally against the signature of the secretary of the Board of Directors or delivered to the administrative office of the Company or any other division authorized to receive written messages addressed to the Company.

The date of submission of the request for the convocation of an extraordinary General Shareholders Meeting shall be date of the advice of delivery or the date of the Company acceptance slip.

4.9. Within 5 days from the date of submission of the request the Board of Directors shall make a decision on the convocation of an extraordinary General Shareholders Meeting or refusal to convene it.

4.10. The Board of Directors can make decision to refuse to convene an extraordinary General Shareholders Meeting or not to include on the agenda certain issues, proposed by the initiators of the convocation of the meeting in the following cases:

4.10.1. The procedure for submission of requests for convening of an extraordinary General Meeting of Shareholders, stipulated by the Russian legislation, the Company's Charter and the present Regulations was not observed;

4.10.2. The shareholders (shareholder), requesting the convening of an extraordinary General Shareholders Meeting, are not the owners of not less than 10 percent of voting shares of the Company;

4.10.3. None of the issues proposed for inclusion on the agenda of an extraordinary General Shareholders Meeting is within the terms of reference of the General Shareholders Meeting and (or) complies with requirements of the legislation of the Russian Federation.

4.11. An extraordinary General Shareholders Meeting, which is convened at the request of the Auditing Commission of the Company, auditor or shareholders (shareholder), holding not less than 10 percent of voting shares of the Company, shall be held within 40 days from the date of submission of the request for convening of an extraordinary General Shareholders Meeting.

If the proposed agenda of the extraordinary General Shareholders Meeting includes an issue on election of the members of the Board of Directors (Supervisory Board) of the Company, such General Shareholders Meeting shall be held within 70 days from the date of submission of the request for convening of an extraordinary General Shareholders Meeting, if a shorter period is not stipulated in the Company Charter.

In cases, when the Board of Directors must make a decision on holding an extraordinary General Shareholders Meeting in accordance with the legislation, such General Shareholders Meeting shall be conducted within 40 days from the date, when the Board of Directors of the Company made the decision to conduct this meeting.

In cases, when in accordance with the legislation the Board of Directors must make a decision on holding an extraordinary General Shareholders Meeting to elect the members of the Company Board of Directors, such General Shareholders Meeting shall be conducted within 90 days from the date, when the Board of Directors of the Company made the decision to conduct this meeting.

4.12. When making a decision on the convocation of an extraordinary General Shareholders Meeting the Board of Directors shall depending on the form of the meeting approve the provisions stated in item 6.1 of these Regulations for the corresponding form of the General Shareholders Meeting.

4.13. If the proposed agenda of the extraordinary General Shareholders Meeting contains an issue on election of members of the Board of Directors of the Company, the shareholders (shareholder) of the Company, holding in aggregate not less than 2 percent of voting shares, shall have the right to nominate candidates for election to the Company Board of Directors (the number of which shall not exceed the size of the Company Board of Directors) in accordance with the procedure stated in item 4.7 of these Regulations. Such proposals shall be submitted to the Company not later than 30 days prior to the date of holding the extraordinary General Shareholders Meeting, unless the Company's Charter envisages a longer period.

If the proposed agenda of the extraordinary General Shareholders Meeting contains an issue on the reorganization of the Company in the form of merger, separation or division, and an issue election of the board of directors (supervisory board) of the company, which established through the reorganization in the form of merger, separation or division, the shareholders (shareholder), holding in aggregate not less than 2 percent of voting shares of the Company, shall have the right to nominate candidates for election to the board of directors (supervisory board) of the newly established company, its collegial executive body, auditing commission or a candidate to be elected as an auditor. The number of candidates cannot exceed the size of the the corresponding body, which is specified in the notice of the convocation of the General Shareholders Meeting in accordance with the draft charter of the newly established company. These shareholders can also nominate a candidate to the position of the individual executive body of the newly established company.

If the proposed agenda of the extraordinary General Shareholders Meeting contains an issue on the reorganization of the Company in the form of merger, a shareholder or shareholders, holding in aggregate not less than 2 percent of voting shares of the Company being reorganized, shall have the right to nominate candidates for election to the board of directors (supervisory board) of the company, which is established by way of reorganization in the form of merger, the number of which cannot exceed the number of members of the board of directors (executive board) of the company being established, that is stated in the notice of the convocation of the General Shareholders Meeting in accordance with the merger agreement.

Proposals on the nomination of candidates shall be submitted to the Company being reorganized not later, than 45 days before the date of holding the General Shareholders Meeting of the Company being reorganized.

4.14. The Board of Directors of the Company shall consider the submitted request for convening an extraordinary General Shareholders Meeting within 5 days from the date of its submission. The decision of the Company Board of Directors to convene an extraordinary General Shareholders Meeting or a substantiated decision to refuse to convene an extraordinary General Shareholders Meeting or to refuse to include certain issues on the agenda shall be send to the persons requesting to convene an extraordinary General Shareholders Meeting within 3 days from the date, when the corresponding decision was made.

4.15. The decision of the Company Board of Directors to refuse to convene an extraordinary General Shareholders Meeting or to include the proposed issue on the agenda can be appealed to a court.

4.16. The Board of Directors shall have no right to make amendments to the wordings of the issues of the agenda, wordings of the decision proposals on such issues and to amend the proposed form of the extraordinary General Shareholders Meeting. If a shareholder proposed a wording of the decision on the issue, the decision on which shall be made only at the proposal of the Board of

Directors, the Board of Directors shall include the issue on the agenda of the extraordinary General Shareholders Meeting in the proposed wording, but shall have the right to word the decision proposal on this issue independently.

If by the deadline for submission of proposals on the issues, relating to the preparation of the General Shareholders Meeting no candidates to the elective bodies have been nominated or the number of candidates is not sufficient for forming the corresponding body, the Company Board of Directors shall have the right to include candidates in the list of candidates at its own discretion. The Company Board of Directors shall have the right to propose (on its own initiative) for consideration of extraordinary General Shareholders Meetings including those convened at the request of the Company's Auditor, Auditing Commission or shareholders (shareholder) of the Company, any issues that fall within the terms of reference of this body.

4.17. If within the time period specified in item 4.9 hereof the Board of Directors fails to adopt a resolution on convening an extraordinary General Shareholders Meeting or makes an unjustified decision to refuse to convene the meeting, an extraordinary General Shareholders Meeting can be convened by the bodies or persons that request its convocation.

The bodies and persons that convene the extraordinary General Shareholders Meeting shall have the authority required for convening and conducting a General Shareholders Meeting as stipulated by the legislation of the Russian Federation, Company Charter and these Regulations.

If the initiator of the meeting has got no documents, proving the fact that the initiator submitted to the company a request for convening an extraordinary General Shareholders Meeting, the initiator's authority required for convening and conducting the extraordinary General Shareholders Meeting cannot be implemented.

When the record holder (Registrar) receives from the shareholders a request for provision of a list of persons entitled to participate in the General Shareholders Meeting in connection with the convocation of an extraordinary General Shareholders Meeting, the Registrar shall make sure that such request has been submitted to the Company either based on the documents provided by the initiator or by making an enquiry to the Company Board of Directors.

4.18. If in the request for convening an extraordinary General Shareholders Meeting or nominating candidates to the Company Board of Directors, it is stated that the request is submitted by several Shareholders, but the request (proposal) is signed only by some of them, then such request shall be deemed submitted by those Shareholders (Shareholder) who signed it. The Board of Directors shall consider such proposal and shall not be entitled to refuse its satisfaction on the grounds of absence of signatures of all Shareholders, mentioned in the proposal, if the number of votes of the shareholders, who signed it, is sufficient for its submission.

4.19. The votes of the Shareholders who signed different requests for convening an extraordinary General Shareholders Meeting or proposals on nominating candidates to the Board of Directors shall not be summed up. Each request (proposal) shall be considered by the Board of Directors separately.

It shall be deemed that Shareholders submitted a joint request (proposal), if they signed one such proposal.

## **5. THE RIGHT TO PARTICIPATE IN THE GENERAL SHAREHOLDERS MEETING**

5.1. The list of persons who are entitled to participate in the General Shareholders Meeting shall be made with regard to the Shareholders Register as of the date set by the Company Board of Directors in compliance with the current legislation of the Russian Federation and the Company Charter.

5.2. The date of making the list of persons entitled to participate in the General Shareholders Meeting shall not go before the date of the decision to hold a General Shareholders Meeting or more than 50 days before the date of the General Shareholders Meeting, and 85 days before the General Shareholders Meeting should the proposed agenda of the Extraordinary GSM include the issue of selecting the members of the Board of Directors. In the event that bulletins, which were

received by the Company in compliance with Item 7.10 hereof, are used to determine if the quorum is present or to vote at a General Shareholders Meeting, the date of making the list of persons entitled to participate in the General Shareholders Meeting shall be on or earlier than 35 days before the date of the General Shareholders Meeting.

5.3. In any event, the date of making the list of persons entitled to participate in the General Shareholders Meeting shall go before the date of notifying the persons entitled to participate in the General Shareholders Meeting of the date of the General Shareholders Meeting, established in accordance with the Company's Charter and the present Regulations.

5.4. For the purpose of making the list of persons entitled to participate in the General Shareholders Meeting, a nominee shareholder shall submit the data on the persons on whose behalf he/she owns the shares as of the date of making the list of persons entitled to participate in a General Shareholders Meeting.

5.5. The list of persons entitled to participate in the General Shareholders Meeting shall contain the following information:

5.5.1. Last name, name, surname (title) of the person;

5.5.2. Data required to identify such person;

5.5.3. Postal address of the person to which the notice of holding the General Shareholders Meeting, voting ballots and voting results shall be sent if voting ballots and results are subject to such delivery;

5.5.4. The number and category (class) of shares held by the person, including those voting at the respective meeting on all issues within his/her terms of reference or on certain issues on the agenda.

5.6. The list of persons entitled to participate in the General Shareholders Meeting shall include the holders of voting fully paid registered common (including those fractional) shares of the Company of any issue, and other persons if so stipulated for by the current legislation of the Russian Federation.

5.7. In the event that the shares of the Company are held by a private equity fund, the managing companies of such private equity funds shall be included in the list of persons entitled to participate in the General Shareholders Meeting.

5.8. In the event that the Company's shares are in the trust management, the list of persons entitled to participate in the General Shareholders Meeting shall include the trustees, except for the cases when a trustee is not entitled to vote in relation to shares which are in the trust management.

5.9. Any changes can be introduced into the list of the persons entitled to participate in the General Shareholders Meeting if such changes are required for the purpose of restoration of violated rights of persons not included into the list on the date of its making, or for the purpose of correction of errors committed when making the list.

5.10. The list of persons entitled to participate in the General Shareholders Meeting shall be made available by the Company for review by the persons who are included into such list and hold at least 1 percent of votes.

The request shall be signed by the shareholder or his/her authorized person. The power of attorney shall be attached if the request is signed by the shareholder's authorized person. If the request is signed by a representative of a legal entity acting on his/her behalf under the power of attorney, a power of attorney shall be attached executed in accordance with Article 185 of the Civil Code of the Russian Federation or certified by a notary (notarized copy of the power of attorney). If the power of attorney is issued in the order of substitution, the power of attorney by virtue of which the above power of attorney was issued or a copy thereof shall be submitted in addition to the power of attorney or its copy.

The request shall be sent by registered mail to the address of the Company or submitted to the Company's office.

5.11. At the request of any interested person, the Company shall, within three days, submit the extract from the list of persons entitled to participate in the General Shareholders Meeting containing the person's data, or the statement that the person is not in the list of the persons entitled to participate in the General Shareholders Meeting.

5.12. In the event of share transfer after the date of making the list of persons entitled to participate in the General Shareholders Meeting and before the date of the General Shareholders Meeting, the person who is included in the list of persons entitled to participate in the General Shareholders Meeting shall have to issue a power of attorney enabling the buyer to vote at the General Shareholder Meeting or to vote at the General Shareholder Meeting as instructed by the buyer of such shares. The said provision shall also apply to each subsequent share transfer.

5.13. The person entitled to participate in a General Shareholders Meeting can exercise his/her right to participate in a General Shareholders Meeting either in person or through his/her representative. The rights (the powers) shall be delegated to the representative of a person entitled to participate in the General Shareholders Meeting by written authorization by way of issuance of a power of attorney executed in conformity with Article 185 of the Civil Code of the Russian Federation or certified by a notary.

The proxy card shall contain information on the represented person and the representative (name, details of the document identifying the person (document's series and (or) number, date and place of issuance, and the body which issued the document) – for an individual, and name and place of location – for a legal entity), and indicate the representative's powers.

A shareholder's representative at a General Shareholders Meeting shall be empowered to act as stipulated for by the federal laws or the instructions of the duly authorized state bodies or local authorities, or by virtue of proxy issued in conformity with the legislation of the Russian Federation.

5.14. The shareholder shall have the right to replace his/her representative on the General Shareholders Meeting or to participate in the General Shareholders Meeting personally.

The shareholder shall have the right to revoke the power of attorney and participate in the General Shareholders Meeting personally, by submitting to the Counting Commission a written request to revoke; if such is the case, the shareholder shall have to register to participate in the General Shareholders Meeting, and receive the voting bulletins if the request to replace (revoke) the representative was received before registration of the representative whose powers are to be terminated.

The shareholder shall have the right to send only one representative to vote at the General Shareholders Meeting.

5.15. Where a share of the Company is in joint shared ownership of a number of persons, the voting powers at the General Shareholders Meeting shall be exercised, at their discretion, either by one of the participants in joint shared ownership or by their common representative. The powers of each of the aforesaid persons must be duly formalized.

5.16. The guardians or the trustees of disabled shareholders entitled to participate in the General Shareholders Meeting shall participate in the General Shareholders Meeting provided that the documents confirming guardianship or the trusteeship are available.

The manager of a shareholder company shall not have to submit the power of attorney to participate in the General Shareholders Meeting, and shall submit the documents confirming his/her power to vote for such organization without the power of attorney (the Charter of an organization, the minutes, a letter of appointment, etc.) and his/her identification documents.

In the event that the shareholder is a legal entity filed for bankruptcy, then, pursuant to the current legislation of the Russian Federation, a bankruptcy commissioner shall act on behalf of such a legal entity. The corresponding court decision to appoint such a bankruptcy commissioner shall be submitted to the Counting Commission.

The court's decision to ban the shareholder from voting his/her shares at the General Shareholders Meeting shall not be the basis for banning such a shareholder from registration as a General Shareholders Meeting participant.

5.17. The Company's Auditor, the members of the Counting and Audit Commissions, candidates included into the voting ballots on election of the Company's administration and management bodies, as well as other persons invited on the initiative of the Board of Directors or the persons initiating (convening) the General Shareholders Meeting shall have the right to participate in the

General Shareholders Meeting without the right to vote the agenda items of the General Shareholders Meeting.

## **6. PROCEDURE FOR CONVENING AND PREPARATION OF THE GENERAL SHAREHOLDERS MEETING**

6.1. The Board of Directors or the persons empowered to convene and hold the General Shareholders Meeting, when preparing the General Shareholders Meeting, shall decide on the following:

- 6.1.1. The form of the General Shareholders Meeting (meeting or an absentee voting);
- 6.1.2. The date, the place and the time of the General Shareholders Meeting and (or) the deadline for receipt of the filled voting bulletins, and the postal address for sending the voting bulletins;
- 6.1.3. The date, the place and the time of registration of the persons entitled to participate in the General Shareholders Meeting to be held in the form of a meeting;
- 6.1.4. The date of making the list of the persons entitled to participate in the General Shareholders Meeting;
- 6.1.5. The agenda of the General Shareholders Meeting;
- 6.1.6. The procedure for notifying the shareholders of the General Shareholders Meeting;
- 6.1.7. The list of materials to be submitted to the shareholders in the course of preparation to the General Shareholders Meeting and the procedure for delivery of such materials;
- 6.1.8. The form and the wording of the voting bulletin;
- 6.1.9. In the event that voting any items of the agenda, in conformity with the legislation of the Russian Federation, entitles the shareholders to request for buy-back of the shares they hold, the Board of Directors shall set the value of the shares to be bought back equal to the market value determined in accordance with the legislation, the procedure and the period of buy-back.
- 6.1.10. The recommendations to the General Shareholders Meeting on certain items of the agenda.
- 6.1.11. The candidate of the Secretary of the General Shareholders Meeting.

6.2. The persons included into the list of persons entitled to participate in the General Shareholders Meeting shall be notified of the General Shareholders Meeting to be held in the form of the presence or in the form of absentee voting at least calendar 30 days before the date of the General Shareholders Meeting, if not otherwise stipulated for by the legislation of the Russian Federation, by sending the notification of holding the General Shareholders Meeting by registered mail to the address indicated in the list of persons entitled to participate in the General Shareholders Meeting, or delivered to such persons against signature.

The notice of holding the General Shareholders Meeting shall be made available on the Company's web-site.

6.3. The notice of holding the General Shareholders Meeting shall be also published in mass media (the Rossijskaya Gazeta or the Vedomosti) within the period set out for forwarding such notifications to the Company shareholders.

6.4. The notice of holding the General Shareholders Meeting shall be forwarded to the persons entitled to participate in the General Shareholders Meeting. The date of notifying the shareholders of holding the General Shareholders Meeting shall be determined by the date of mailing or the date of publishing, or the date of personal delivery of the notice.

6.5. The notice of holding the General Shareholders Meeting may, if so decided by the Board of Directors, be additionally sent in electronic form to those shareholders who have provided the Company or the registrar with the e-mail addresses for the delivery of such notices.

6.6. The notice of holding the General Shareholders Meeting shall contain:

- 6.6.1. The full trade name and the location of the Company;
- 6.6.2. The form of the General Shareholders Meeting (meeting or an absentee voting);
- 6.6.3. The date, the place and the time of the General Shareholders Meeting and (or) the deadline for receipt of the filled voting bulletins, and the postal address for sending the voting bulletins;

6.6.4. The date of making the list of the persons entitled to participate in the General Shareholders Meeting;

6.6.5. The agenda of the General Shareholders Meeting;

6.6.6. The procedure for familiarizing with the information (materials) to be submitted to the shareholders in the course of preparation for the General Shareholders Meeting, including the addresses of the offices where the shareholders may be able to inspect or obtain the copies of the materials to be provided to the persons entitled to participate in the General Shareholders Meeting of the Company in the course of preparation for the General Shareholders Meeting, and the addresses to forward the written remarks and proposals on the said materials and other proposals on the agenda items.

6.6.8. In the event that voting any items of the agenda, in conformity with the legislation of the Russian Federation, may entitle the shareholders, who would vote against such a decision or who would not vote such a decision, to request that the Company buy back the shares they hold, such notice of holding the General Shareholders Meeting shall state the possibility that the shareholders may get entitled to request that the Company buy back the shares they hold, indicate the value of the shares equal to the market value determined in accordance with the legislation, and the procedure and the period of buy-back.

Should the selection of a new Board of Directors be on the agenda of the Extraordinary General Shareholders Meeting, the notice shall state the right of the shareholders holding 2 or more percents of the voting shares of the Company to propose candidacies to the Board of Directors, and indicate the deadline for such proposals and the address for forwarding such proposals.

6.7. The information (materials) to be submitted to the persons entitled to participate in the General Shareholders Meeting in the course of preparation for the General Shareholders Meeting shall include the following:

6.7.1. Annual financial statements of the Company including the Auditor's report;

6.7.2. Findings of the Auditing Commission on auditing the annual financial statements;

6.7.3 Information on the candidates to the Board of Directors, Auditing Commission (to the Auditor position) and the Counting Commission;

6.7.4 Draft alterations and supplements proposed to be introduced into the Company Charter and the internal documents and/or the redraft Company Charter and the internal documents;

6.7.5. General Shareholders Meeting decision proposals;

6.7.6. Other information as stipulated for by the Company Charter, the legislation or the decisions of the Board of Directors of the Company.

6.8. If so decided by the Board of Directors, other supplementary information, in addition to the materials compulsory, can be included into the list of materials to be submitted in the course of preparation of the General Shareholders Meeting:

6.8.1. Annual Report of the Company;

6.8.2. Recommendations of the Company's Board of Directors on profit distribution, including the amount of dividend on the Company's shares, dividend payment procedure and the Company's loss based on the results of the financial year.

The supplementary information which shall be provided in the course of preparation for the General Shareholder Meeting if the Meeting's agenda includes the selection of the members of BoD and the Auditing Commission, shall include the information on the availability or unavailability of written consent of the candidates to be elected to a corresponding body of the Company.

The supplementary information which shall be provided in the course of preparation for the General Shareholder Meeting if the Meeting's agenda includes the items which can entitle the Company shareholders to request that the Company buy back the shares they hold, shall include the following: an independent valuator's report on the market value of the Company shares the buy-back of which could be proposed to the Company;

net asset value based on the Company's financial statements for the last complete reporting period;

minutes (extract from the minutes) of the Board of Directors meeting where the decision was taken to set the Company shares buy-back value, indicating the said shares buy-back value.

The supplementary information which shall be provided in the course of preparation for the General Shareholder Meeting if the Meeting's agenda includes the item of the Company reorganization, shall include the following:

justification of terms and conditions and the procedure for the Company reorganization contained in the resolution on separation, allocation or transformation, in the merger or consolidation agreement as approved by the authorized body of the Company;

annual reports and annual financial statements of all the companies involved in the reorganization for three completed financial years before the date the General Shareholders Meeting;

quarterly financial statements of all the companies involved in the reorganization, for the last completed quarter before the date of the General Shareholders Meeting.

The materials to be additionally submitted to the General Shareholders Meeting participants shall be determined by the Board of Directors, and:

in the event of the Company reorganization, the shareholders shall be provided with the BoD report containing the validation of such a reorganization and indicating the measures to protect the shareholders' rights and interests in the course of the reorganization;

in the event that early termination of the management bodies' powers and selection of management bodies (including if proposed by the shareholders holding 10 or more percents of the Company voting shares) is to be considered, the shareholders shall be provided with the BoD report evaluating the expediency of such decision.

6.9. The persons entitled to participate in the General Shareholders Meeting shall be able to familiarize themselves with such materials at the offices located at the addresses indicated in the notice. The persons entitled to participate in the General Shareholders Meeting shall be able to get the copies of such materials at the offices located at the above addresses. Any person entitled to participate in the General Shareholders Meeting shall be able to request that such materials be mailed to him/her on condition that he/she pays the postal fees.

6.10. If so decided by the Board of Directors, the materials to be submitted to the persons entitled to participate in the General Shareholders Meeting, if not confidential or a trade secret, can be fully or partially disclosed on the Company's web-site.

6.11. In the event that a person registered in the Register of Company Shareholders is a nominee shareholder, the notice of a General Shareholders Meeting shall be sent to the nominee shareholder. The nominee shareholder shall have to inform its clients, in the manner and within the time established by legal acts or by the contract with the client, of such a notice.

6.12. If so prescribed by the current legislation and the Company Charter, the persons included in the list of those entitled to participate in the General Shareholders Meeting shall receive the bulletins for voting the GSM agenda items, in the period as set by the Company Charter.

## **7. PROCEDURE FOR SHAREHOLDER'S PARTICIPATION IN THE GENERAL SHAREHOLDERS MEETING**

### **QUORUM OF THE GENERAL SHAREHOLDERS MEETING**

7.1. A person entitled to participate in the General Shareholders Meeting may participate in a meeting as follows:

7.1.1 by personal participation in the discussion of agenda items and voting, if the General Shareholders Meeting is held in the form of a meeting;

7.1.2. by sending an authorized representative to participate in the discussion of agenda items and to vote, if the General Shareholders Meeting is held in the form of a meeting;

7.1.3. by joint discussion of GSM agenda items and voting with the representative, if the General Shareholders Meeting is held in the form of the presence;

7.1.4. by voting the GSM agenda items by way of delivery of the filled voting bulletins, signed personally or by the authorized representative, to the Company, if the General Shareholders Meeting is held in the form of a meeting;

7.1.5. by voting the GSM agenda items by way of delivery of the filled voting bulletins, signed personally or by the authorized representative, to the Company, if the General Shareholders Meeting is held in the form of a absentee voting;

7.2. The shareholders who registered for the meeting and those shareholders whose voting ballots were received no later than two days before the date of the General Shareholders Meeting shall be deemed to have attended the General Shareholders Meeting held in the form of the meeting.

7.3. The shareholders whose voting ballots were received no later than two days before the deadline set by the Company for the receipt of the filled voting bulletins shall be deemed to have attended the General Shareholders Meeting held in the form of the absentee voting.

7.4. The participants in General Shareholders Meeting held in the form of the meeting shall register at the place of the General Shareholders Meeting.

7.5. The persons entitled to participate in the General Shareholders Meeting shall be entitled to register for the participation in the General Shareholders Meeting.

The persons entitled to participate in the General Shareholders Meeting held in the form of a meeting, whose voting ballots were received no later than two days before the date of the General Shareholders Meeting, shall have the right to be present on the General Shareholders Meeting without being registered. If so requested by the persons who register to participate in the General Shareholders Meeting and whose bulletins were not received or were received later than two days before the date of the General Shareholders Meeting, shall have the right to receive their voting bulletins, indicated as reissued, against signature.

7.6. Documents supporting authority of successors and representatives of the persons included in the list of persons entitled to participate in the General Shareholders Meeting (their notarized copies) shall be attached to their filled voting ballots and shall be transferred to the Counting Commission or the Registrar acting as the Counting Commission in the course of registration of these persons to participate in the General Shareholders Meeting.

7.7. Registration of persons entitled to participate in the General Shareholders Meeting shall be conducted provided that the persons who arrived to attend the General Shareholders Meeting are identified via verification of the data contained in the list of persons entitled to participate in the General Shareholders Meeting and the data contained in the documents presented by the above persons.

7.8. To register, the persons who arrived to attend the General Shareholders Meeting shall present the following documents:

7.8.1. Shareholders (who are individuals) shall present the documents supporting personal identity;

7.8.2. Representatives of the shareholders (who are individuals) shall present the documents supporting the identity of a representative and the power of attorney issued by the shareholders in accordance with the procedure established by the legislation of the Russian Federation and the present Regulations; and the legal representatives of the shareholders (shareholder) shall present the documents supporting their powers;

7.8.3. Representatives of the shareholders (who are legal entities) shall present the documents supporting the identity of a representative and the power of attorney issued by the shareholders in accordance with the procedure established by the legislation of the Russian Federation and the present Regulations;

7.8.4. Managers of the Shareholders (who are legal entities) shall present the documents supporting personal identification of a manager and the documents supporting appointment to the relevant position;

7.8.5. The heirs and successors of the persons included in the list of persons entitled to participate in the General Shareholders Meeting shall present the documents supporting their legal succession in accordance with the legislation of the Russian Federation.

7.9. The registration of the persons entitled to participate in the General Shareholders Meeting shall be closed upon the GSM Chairman's statement that the discussion of the last agenda item of the General Shareholders Meeting with the quorum present has been finished. The shareholders who arrived after the registration was closed shall not be allowed to participate in the General

Shareholders Meeting. At the time fixed as the start of the General Shareholders Meeting, the Chairman of the Counting Commission or the person acting for the Counting Commission shall inform the General Shareholders Meeting if the quorum is present. The Chairman shall declare the meeting open (postponed) and present to the General Shareholders Meeting the BoD's proposal to approve the rules of order (regulations) of the General Shareholders Meeting.

7.10. The General Shareholders Meeting shall be deemed qualified (with the quorum present) if attended by the shareholders or their representatives holding collectively more than half of the issued voting shares of the Company.

The shareholders or their representatives shall be deemed to have attended the General Shareholders Meeting if registered to participate, or if their (shareholders') voting bulletins were received by the Company:

no later than two days before the date of the General Shareholders Meeting – if the General Shareholders Meeting is held in the form of a meeting;

no later than the deadline for receipt of the voting bulletins - if the General Shareholders Meeting is held in the form of absentee voting.

The quorum shall be determined for each agenda item of the General Shareholders Meeting. Absence of a quorum when voting particular issues shall not interfere with voting other issues by other participants who constitute the quorum required for that particular issue.

When determining if the quorum is present for the issues related to the selection of the Auditing Commission, the shares held by the newly elected members of the Company Board of Directors shall not be taken into consideration as voting shares.

The Counting Commission, when determining if the quorum is present, shall not take into account the shares which are bought-back/acquired by the Company.

Should any shares, held by a shareholder, be, by the court judgment or decision, banned from voting, such shares shall be taken into account as voting shares when determining if the quorum is present.

The General Shareholders Meeting held in the form of a meeting shall be declared open, if, by the time of its start, the quorum is present for at least one of the agenda items of the General Meeting Shareholders. The registration of the persons entitled to participate in the General Shareholders Meeting, who failed to register to participate in the General Shareholders Meeting prior to its being declared open, shall not be closed before the GSM Chairman states that the discussion of the last agenda item of the General Shareholders Meeting with the quorum present has been finished.

7.11. Should there be, by the time of the General Shareholders Meeting start, no quorum present for at least one agenda item of the General Shareholders Meeting, the opening of such a General Shareholders Meeting can be postponed, however, not later than by two (2) hours. The meeting cannot be postponed more than once.

7.12. Should there be no quorum present for an Annual General Shareholders Meeting, the General Shareholders Meeting with the same agenda shall be convened repeatedly. Should there be no quorum present for an Extraordinary General Shareholders Meeting, the General Shareholders Meeting with the same agenda shall be convened repeatedly.

In case the General Shareholders Meeting was convened at the initiative of the Board of Directors, the Board of Directors shall have the right to change the form of the meeting. The decision to convene the meeting repeatedly shall be taken by the Board of Directors or by the person who convened the extraordinary General Shareholders Meeting.

7.13. The shareholders shall be informed of convening a General Shareholders Meeting in the manner prescribed by the Company Charter and the Regulations for a relevant form of holding the meeting.

7.14. The repeatedly convened General Shareholders Meeting shall be qualified (with the quorum present) to vote a particular agenda item if attended by the shareholders who collectively hold at least 30 percent of the issued voting shares of the Company.

7.15. Should the General Shareholders Meeting be postponed due to the absence of quorum by less than 40 days, the list of the persons entitled to participate in the General Shareholders Meeting shall

be the same as the list of the persons entitled to participate in the frustrated General Shareholders Meeting.

7.16. To convene a General Shareholders Meeting repeatedly instead of the frustrated one, the rules of convening such a meeting shall be as for the convening of an Extraordinary Shareholders Meeting as prescribed by the Company Charter, the present Regulations and the Law on Joint Stock Companies.

7.17. The Company shall start all procedures related to convening, preparation and holding an extraordinary General Shareholders Meeting if the meeting is supported financially. The Individual Executive Body (the President) of the Company shall immediately after the decision is taken by the Board of Directors to convene a General Shareholders Meeting provide for the GSM finance.

7.18. The costs of preparation and holding of an annual General Shareholders Meeting or an extraordinary General Shareholders Meeting convened by the Company's Board of Directors shall be charged to the Company in accordance with the budget approved by the Individual Executive Body (the President), and budgeted by the Company.

7.19. The costs of preparation and holding of an extraordinary General Shareholders Meeting convened by the persons who request the convening of an extraordinary General Shareholders Meeting in accordance with Item 4.17 hereof, can be reimbursed by the Company if such is the decision of the General Shareholders Meeting.

7.20. The official language of the General Shareholders Meeting shall be Russian. Where necessary, the materials prepared for the General Shareholders Meeting shall be translated into English.

7.21. The General Shareholders Meeting shall have the right to approve the rules of holding the General Shareholders Meeting in the form of a meeting, which should contain and set out the following:

- the information on the persons acting as the Chairman and the Secretary of the General Shareholders Meeting, and, where required, on the manning of the Presidium of the General Shareholders Meeting;
- time for speakers on the agenda items;
- time for the reporter, the Company's executive officers, and the candidates for the elective posts to answer the questions asked by the shareholders participating in the General Shareholders Meeting. The questions shall be asked in writing;
- time for the debates on the reports;
- time for voting the agenda items. It is the responsibility of the Chairman of the Counting Commission to explain the voting procedures to the meeting participants;
- the procedure for summing up and reading the results. The Company shall seek to complete the vote count and to read the voting results before the conclusion of the General Shareholders Meeting.

7.22. The Company shall seek to ensure that the members and the candidate members of the Board of Directors, the members and the candidate members of the Auditing Commission, the Company's Auditor and the top executive officers of the Company are present at the General Shareholders Meeting held in the form of a meeting, to be able to answer the questions asked by the shareholders in the course of the General Shareholders Meeting.

Should the General Shareholders Meeting be held in the form of absentee voting, the shareholders shall have the right to ask for spoken explanations by the executive officers of the Company in relation to the agenda items of the General Shareholders Meeting.

## **8. VOTING AND DECISION MAKING PROCEDURE ON THE ISSUES OF THE GENERAL SHAREHOLDERS MEETING AGENDA**

8.1. Voting at the General Shareholders Meeting shall be conducted on the basis of the statutory voting principle "one voting share equals one vote," except that:

- Cumulative voting when electing members of the Company's Board of Directors;
- The Company has fractional shares enabling such shareholders to vote with fractional votes.

8.2. The General Shareholders Meeting shall be held in the form of the presence of the shareholders (co-presence of the Company's shareholders in order to discuss the issues of the agenda and approve resolutions with regards to the issues put to vote)

The General Shareholders Meeting resolution may be also approved by way an absentee voting without a meeting being held.

The General Shareholders Meeting shall not be held in the form of absentee voting in the event that the following issues are included in the General Shareholders Meeting agenda: election of the Company's Board of Directors, election of the Company's Auditing Commission, approval of the Company's Auditor, as well as approval of annual reports, approval of annual financial statements, including the Company's profit and loss statements, (the Company's profit and loss accounts) as well as the issue on profit distribution (including payment (announcement) of dividends except the profit distributed as dividends on the basis of the 1Q, 1H, 9 months of the financial year results) and the Company's loss on the basis of the financial year results.

In case the General Shareholders Meeting is held in the form of the shareholders co-presence (if the number of voting shareholders is 1, 000 or more) the latter will exercise the right to participate in controlling the Company via sending the filled and signed voting ballot to the Company, the right to personally participate in the meeting (or through a representative), discuss the issues under consideration and make resolutions on them.

The Company will be obliged to send the voting ballots (in case the number of the Company's voting shareholders is 1,000 or more) or to hand over such voting ballots against signature to each person specified in the list of the persons entitled to participate in the General Shareholders Meeting in accordance with the procedure set forth in these Regulations.

In case the General Shareholders Meeting is held in the form of the absentee voting, it will be held via sending the shareholders the voting ballots and counting the vote on the basis of the filled voting ballots received from the shareholders.

Regardless of its form, the voting at the General Shareholders Meeting will be held only on the basis of the voting ballots for all issues of the agenda.

8.3. The forms and the text of the voting ballots will be approved by the Board of Directors. The Board of Directors shall approve a separate voting ballot for each issue of the agenda.

In case the General Shareholders Meeting is held in the form of the presence of the shareholders the voting ballots shall be issued to the shareholders entitled to participate in the General Shareholders Meeting at the time of their registration and shall be delivered to the specified persons via registered mail to the address specified in the list of persons entitled to participate in the shareholders meeting (in case the number of the Company's voting shareholders is 1,000 and more).

In case the General Shareholders Meeting is held in the form of an absentee voting, the voting ballots shall be delivered to the shareholders via the closed registered mail to the address specified in the list of the persons entitled to participate in the General Shareholders Meeting.

8.4. A voting ballot for the agenda items shall include:

8.4.1. The company full trade name and location;

8.4.2. The form of the General Shareholders Meeting;

8.4.3. The date, the venue and the time at which the General Shareholders Meeting is to be held, the postal address to which the filled voting ballots are to be delivered (in case the General Shareholders Meeting is held in the form of absentee voting as well as in case the General Shareholders Meeting is held in the form of the presence of the shareholders if the number of the Company's voting shareholders is 1,000 and more); in the event that the General Shareholders Meeting is held in the form of absentee voting the deadline for accepting voting ballots shall also be indicated;

8.4.4. The wording of a resolution on each issue of the agenda (name of each candidate), which is put to vote with this voting ballot and the order in which it shall be considered;

8.4.5. Voting options for the issue put to vote expressed as “in favor,” “against,” “abstained” save for the election of the Board of Directors;

8.4.6. In the event of cumulative voting, a reference on cumulative voting shall be made followed by an explanation of the meaning of the cumulative voting, “i.e. a fractional part of the vote received as the result of multiplication of the number of votes belonged to a shareholder owning a fractional share by the number of persons to be elected to the Company’s Board of Directors may be voted only for one candidate”;

8.4.7. Margins on which the number of votes given for each voting option shall be indicated as well as a reference to the number of votes of a person entitled to participate in the General Shareholders Meeting;

8.4.8. Clarification of the fact that a voting person is entitled to select only one voting option except for voting in accordance with the instructions given by the persons who acquire shares after the list of persons entitled to participate in the General Shareholders Meeting has been finalized, or in accordance with the instructions of the depository securities owners;

8.4.9. Clarification of the fact that if more than one voting option is specified in the voting ballot, a number of votes given for each voting option shall be specified on the votes margins and a note shall be made that voting is conducted in accordance with the instructions given by the acquirers of the shares transferred after the list of participants has been finalized or in accordance with the instruction of the depository securities owners;

8.4.10. Clarification of the fact that a person voting by proxy issued in respect to shares transferred after the date on which the list of the persons entitled to participate in the General Shareholders Meeting has been finalized, shall specify a number of votes for the selected voting option on the votes margins and a notice shall be given that voting has been conducted by proxy issued in respect to the shares transferred after the list of the persons entitled to participate in the General Shareholders Meeting has been finalized.

8.4.11. Clarification of the fact that if not all shares are transferred after the list of attendees has been compiled, a voting person shall specify the number of votes given for the selected voting option on the margin opposite a selected voting option and make a notice that a fraction of shares has been transferred after finalizing the list of persons entitled to participate in the General Shareholders Meeting. In case instructions given by the acquirers of such shares obtained in respect to the shares transferred after the list of attendees has been finalized coincide with the selected option, these votes shall be added up.

8.4.12. The instruction that the voting ballot shall be signed by a shareholder.

8.5. In case shares are transferred after the date on which the list of persons entitled to participate in the General Shareholders Meeting has been compiled and prior to the date of holding the General Shareholders Meeting, the person included in this list shall issue a proxy to the acquirer or vote at the General Shareholders Meeting following the instructions given by the acquirer of the shares. The said rule shall be also applied to every subsequent transfer of shares.

In case shares transferred after the list of persons entitled to participate in the General Shareholders Meeting has been compiled are transferred to two or more acquirers, the person included in the list of persons entitled to participate in the General Shareholders Meeting, shall vote at the General Shareholders Meeting following the instructions given by each acquirer of the shares and/or issue a proxy for voting to each acquirer of the shares specifying the number of shares on which this proxy gives the right to vote.

8.6. In case shares entitled to voted at the General Shareholders Meeting float outside the territory of the Russian Federation in the form of the securities of a foreign issuer issued according to a foreign law and certifying the rights for such shares (depository securities), these shares shall be voted only in accordance with the instructions given by the depository securities owners.

8.7. Persons registered for participating in the General Shareholders Meeting held in the form of the presence of the shareholders shall be entitled to vote on all issues of the agenda starting from the date the General Shareholders Meeting is declared opened and up to its closing. In case the voting results and resolutions approved by the General Shareholders Meeting are announced at the

General Shareholders Meeting, these persons shall be entitled to vote starting from the opening of the General Shareholders Meeting and up to the moment the vote counting on the item of the General Shareholders Meeting agenda starts. This rule shall not be applied to voting on the issue on the General Shareholders Meeting procedure.

Upon completion of the discussions of the last issue of the agenda (the last issue of the General Shareholders Meeting agenda on which a quorum is reached and prior to the General Shareholders Meeting closing (commencement of the vote counting procedure), the persons who have not voted before this moment shall be given time to vote.

8.8. The General Shareholders Meeting can not be declared closed if by the moment of its opening a quorum has been reached only on separate issues of the agenda, in case that by the moment the registration procedure has been completed the persons, whose registration ensures the quorum for taking decisions on other issues of the General Shareholders Meeting agenda, has been registered.

8.9. Voting ballots received by the Company and signed by a representative acting by proxy shall be deemed invalid in case the Company or Registrar acting as the Counting Commission receives a notification of replacement (withdrawal) of this representative not later than two days before the date the General Shareholders Meeting is held.

A person entitled to participate in the General Shareholders Meeting (including a new representative acting by proxy) shall be registered for participating in the General Shareholders Meeting and he shall be provided with the voting ballots, in case a notification of replacement (withdrawal) of a representative is received by the Company or Registrar acting as the Counting Commission prior to registration of a representative whose term of reference is terminated.

8.10. Resolutions of the General Shareholders Meeting shall be approved by a simple majority of votes of the voting shareholders participating in the General Shareholders Meeting.

8.11. Resolutions on the issues expressly provided for in the legislation of the Russian Federation and the Company's Charter shall be approved by the General Shareholders Meeting by the 3/4 majority of votes of voting shareholders who participate in the General Shareholders Meeting.

8.12. Resolutions on the issues related to the election of the Board of Directors and the Company's Auditing Commission (the Company's Auditor), approval of the Auditor as well as resolution on the issues set forth in Item 2.1.17 of these Regulations can not be approved by the absentee voting.

8.14. The Company's Board of Directors shall be elected by a cumulative voting. In the event of a cumulative voting, the number of votes owned by each shareholder shall be multiplied by the number of persons to be elected to the Company's Board of Directors and a shareholder shall have the right to give the votes received as a result of this procedure in favor of one candidate or allocate the votes between two or more candidates.

8.15. The wording of the resolution on the procedure of the General Shareholders Meeting order shall include the resolution on the election of the General Shareholders Meeting Chairman as well as that on the method the voting results and resolutions on the agenda issues approved at the General Shareholders Meeting shall be communicated to the persons entitled to participate in the General Shareholders Meeting. According to the resolution of the Board of Directors or individuals (bodies) convoking the General Shareholders Meeting, the wording of the resolution on the procedure of the General Shareholders Meeting order may include other issues related to the procedure of the General Shareholders Meeting order.

8.16 The General Shareholders Meeting shall not be entitled to approve resolutions on the issues not included in the General Shareholders Meeting agenda, or modify the agenda.

**9. TALLY OF VOTES ON THE ISSUES OF  
THE GENERAL SHAREHOLDERS MEETING AGENDA.  
PROCEDURE OF NOTIFYING THE PERSONS  
ENTITLED TO PARTICIPATE IN THE GENERAL SHAREHOLDERS MEETING**

## ON THE VOTING RESULTS AND THE APPROVED RESOLUTIONS

9.1. The Company's Counting Commission (Registrar acting as the Counting Commission) shall be in charge of counting votes on the issues of the General Shareholders Meeting agenda and tallying the votes.

9.2. Vote counting at the General Shareholders Meeting on the issue put to vote and on which ordinary shareholders are entitled to vote shall be jointly conducted on all voting shares.

9.3. Fractions of votes provided by fractional shares shall be added up with no rounding in case of the presence of a quorum and vote counting.

9.4. If a participant does not deliver his voting ballot during the voting, he shall not be deemed to participate in the voting and his votes shall not be taken into account during the vote tally procedure.

In the course of defining the presence of a quorum the Counting Commission shall not be entitled to tally the vote on electing to the Company's management body the individuals who have filed in writing a waive of their right to be voted or have expressed their waive at the General Shareholders Meeting.

In the course of defining a quorum and tallying the votes on election of the members of the Company's Revision Commission, the Counting Commission shall not count the votes owned by the members of the Company's Board of Directors newly elected at the General Shareholders Meeting.

In the event that the candidates among the persons who have been elected to the Board of Directors, Management Board or who hold the posts in the Company's management body are put to the voting ballot on electing the members of the Company's Revision Commission, the Counting Commission shall not tally the votes on these candidates.

In event that a candidate elected as the Company's individual executive body or candidates elected to the Company's Board of Directors, the Revision Commission as well as candidates of the persons proposed by the candidates for these posts, are put to the voting ballot on election of the members of the Counting Commission, the Counting Commission shall not tally the votes on these candidates.

In the event the number of candidates put to the voting ballot during the election of the members to the Company's Board of Directors exceeds the number of vacancies and in the event that several candidates acquire the equally low number of votes which makes it impossible to define which candidate has been elected to the Board of Directors, such candidates shall not be deemed to be elected to the Board of Directors.

In the event that the Counting Commission receives a resolution or a court judgment banning a particular candidate to vote his shares, the voting ballot of such candidate shall not be counted.

9.5. A voting ballot shall be deemed invalid and votes shall not be counted:

- In the event that corrections are inserted in the details of voting ballots;
- In the event that a voting ballot submitted to the Counting Commission is not in line with the text and the form of a voting ballot set by the Company's Board of Directors;
- In the event that more than one voting option is left in a voting ballot, except for the cases the voting is conducted in accordance with the instructions given by the persons who have acquired shares after the date of compiling the List of persons entitled to participate in the General Shareholders Meeting, or in accordance with the instructions given by the depositary securities owners;
- In the event that no voting options are left in a voting ballot;
- In the event that all voting options are crossed out in a voting ballot;
- In the event that a voting ballot is not signed by a shareholder;
- In the event that the Company receives the voting ballots signed by a representative acting by proxy in case the Company receives a notification of replacement (withdrawal) of this representative not later than two days prior to the General Shareholders Meeting;
- If during the vote counting two or more completed voting ballots of one person with the different

voting options selected for one issue of the General Shareholders Meeting agenda are identified. This rule shall not be applied to the voting ballots signed by a person who issued a proxy for the shares transferred after the date of compiling the list of attendees entitled to participate in the General Shareholders Meeting and/or persons acting by proxies where the number of votes given for a specific voting option is indicated on the margins designed for marking the number of votes given for each voting option, and contain respective remarks pursuant to paragraphs 8.4.7 to 8.4.11 of these Regulations;

- In the event that the number of candidates, who have a vote “in favor” in a voting ballot for the issue of electing the Revision Commission members and the Counting Commission members exceeds the number of candidates to be elected to the Company’s respective body. This rule shall not be applied to voting ballots signed by a person who votes for shares transferred after the date of compiling the list of persons entitled to participate in the General Shareholders Meeting according to instructions received from acquirers of such shares and/or signed by a person, who votes shares circulated outside the territory of the Russian Federation in the form of depositary securities and marked in accordance with paragraphs 8.4.7 to 8.4.11 of these Regulations;
- In the event that a voting ballot contains “in favor” votes on alternative resolutions;
- In the event that the number of votes a shareholder allocates among the candidates to the Board of Directors exceeds the number of votes he owns;
- In the event that the voting ballots are submitted to the Counting Commission after the vote counting procedure started.

9.6. The votes in the voting ballots declared invalid shall not be taken into consideration when tallying the voting results.

9.7. In the event the following issues are included in the General Shareholders Meeting agenda:

- On reorganization of the Company
- On approval of a major transaction
- On introduction of the amendments to the Company’ Charter resulting in restriction of the shareholders’ rights (approval of the renewed Charter)
- On allocating shares or equity securities convertible into shares, by closed subscription (save for the case when such securities are allocated by closed subscription exclusively among shareholders; in this case shareholders shall have the right to acquire the whole number of shares or other equity securities pro rata the number shares of the relevant categories controlled by them).
- The Counting Commission shall file a list of shareholders who were not involved in the voting as well as of those who voted “against” on such issues of the General Shareholders Meeting Agenda.

9.8. Following the voting results, the Counting Commission (Registrar acting as the Counting Commission) shall compile the Records of the voting results to be signed by the members of the Counting Commission (by the persons authorized by the Registrar). The Records on the voting results shall be compiled not later than 15 days after the closing of the General Shareholders Meeting or the deadline for accepting the filled voting ballots if the General Shareholders Meeting is held in the form of absentee voting.

9.9. Resolutions approved at the General Shareholders Meeting as well as the voting results shall be announced at the General Shareholders Meeting during which the voting took place, or shall be brought to the notice of the persons included in the list of the persons entitled to participate in the General Shareholders Meeting, not later than ten (10) days after the Records on the voting results in the form of a Report on the voting results by the methods stipulated in the Company’s Charter and these Regulations have been compiled in order to inform the shareholders about the General Shareholders Meeting. The Report on the voting results at the General Shareholders Meeting shall be signed by the General Shareholders Meeting Chairman and Secretary. The Report on the voting results shall be placed on the Company’s website in the Internet.

The resolution shall be deemed approved (unapproved) shortly after the Records has been compiled by the Counting Commission.

9.10. The Records on the voting results shall be entered upon the General Shareholders Meeting Minutes. The Records on the voting results shall include:

- 9.10.1. The Company's full name and location;
- 9.10.2. The type of the General Shareholders Meeting (annual or extraordinary meeting);
- 9.10.3. The form of the General Shareholders Meeting (the presence of the shareholders or an absentee voting);
- 9.10.4. The date of the General Shareholders Meeting (the deadline for accepting the filled voting ballots);
- 9.10.5. The venue of the General Shareholders Meeting (the address to which the filled voting ballots were delivered);
- 9.10.6. The General Shareholders Meeting agenda;
- 9.10.7. The starting time and the closing time of the registration of persons entitled to participate in the General Shareholders Meeting held in the form of presence of the shareholders;
- 9.10.8. The time of opening and closing of the General Shareholders Meeting held in the form of the presence of the shareholders; start time and closing time of vote counting in case the resolutions approved at the General Shareholders Meeting and the voting results were announced at the General Shareholders Meeting;
- 9.10.9. The number of votes on each issue of the General Shareholders Meeting agenda owned by the persons included in the list of persons entitled to participate in the General Shareholders Meeting.
- 9.10.10. The number of votes on each issue of the General Shareholders Meeting agenda, owned by the persons participated in the General Shareholders Meeting, the fact whether a quorum on each issue was reached or not shall also be indicated;
- 9.10.11. The number of votes given for each voting option on each issue of the General Shareholders Meeting agenda ("in favor", "against" and "abstain") on which a quorum was reached;
- 9.10.12. The number of votes on each issue of the General Shareholders Meeting agenda put to vote, which were not counted due to the fact that the voting ballots were declared invalid;
- 9.10.13. Names of the Counting Commission members; in case the Registrar acted as the Counting Commission, the Registrar's full trade name and location as well as names of its authorized persons shall be indicated;
- 9.10.14. The date of compiling the Records of voting results.  
The Records of voting results shall be signed by the Counting Commission members, and in case the Registrar acted as the Counting Commission the Records of the voting results shall be signed by persons authorized by the Registrar.
- 9.11. After compiling the Record of the voting results and signing the Minutes of the General Shareholders Meeting, the voting ballots as well as the proxies (copies of the proxies) for participating in the General Shareholders Meeting shall be sealed by the Counting Commission (or the Registrar acting as the Counting Commission) and deposited to the Company's files for storage for an indefinite storage term. The Company shall store the sealed voting ballots in a sealed box or in a locker with safety deposit boxes. A formal note shall be filed with regards to every fact of opening the sealed voting ballots by a person (persons) authorized by the Company to open such voting ballots.
- 9.12. The lists of persons entitled to participate in the General Shareholders Meeting as well as other lists compiled by the Company to enable the shareholders to exercise their rights in the course of preparing and holding the General Shareholders Meeting shall be stored for an indefinite storage term at the location of the Company's executive body.
- 9.13. The documents certifying the fact that shareholders have been informed about the General Shareholders Meeting as well as that the voting ballots and the Records of the voting results have been mailed to the shareholder, shall be stored for 3 years starting from January 1 of the year following the year when respective Records of the voting results were circulated.
- 9.14. The Records of the voting results at the General Shareholders Meeting shall include:
  - 9.14.1. The Company's full trade name and location;
  - 9.14.2. The type of the General Shareholders Meeting (annual or extraordinary);

- 9.14.3. The form of the General Shareholders Meeting (the presence of shareholders or absentee voting);
- 9.14.4. The date of the General Shareholders Meeting (the deadline for accepting the filled voting ballots);
- 9.14.5. The venue of the General Shareholders Meeting held in the form of presence of the shareholders (address at which the General Shareholders Meeting was held);
- 9.14.6. The General Shareholders Meeting agenda;
- 9.14.7. The number of votes on each issue of the General Shareholders Meeting agenda owned by the persons included in the list of the persons entitled to participate in the General Shareholders Meeting;
- 9.14.8. The number of votes on each issue of the General Shareholders Meeting agenda owned by the persons participated in the General Shareholders Meeting; the fact whether a quorum on each issue was reached or not shall also be indicated;
- 9.14.9. The number of votes given for each voting option on each issue of the General Shareholders Meeting agenda (“in favor”, “against” and “abstain”) on which a quorum was reached;
- 9.14.10. The wording of the resolutions approved by the General Shareholders Meeting on each issue of the General Shareholders Meeting agenda;
- 9.14.11. The names of the Counting Commission members; in case the Registrar acted as the Counting Commission, the Registrar’s full trade name and location; names of its authorized representatives shall also be indicated;
- 9.14.12. The names of the General Shareholders Meeting Chairman and Secretary;  
The Records of the voting results shall be signed by the General Shareholders Meeting Chairman and Secretary.
- 9.15. The General Shareholders Meeting Minutes shall be compiled not later than fifteen (15) business days after the date of closing the General Shareholders Meeting. The Minutes shall be prepared in two copies, both copies shall be signed by the General Shareholders Meeting Chairman and Secretary.
- 9.16. The General Shareholders Meeting Minutes shall include:
- 9.16.1. The Company’s full trade name and location;
- 9.16.2. The type of the General Shareholders Meeting (annual or extraordinary);
- 9.16.3. The form of holding the General Shareholders Meeting (the presence of shareholders or an absentee voting);
- 9.16.4. The date of the General Shareholders Meeting (the deadline for accepting the filled voting ballots);
- 9.16.5. The venue of the General Shareholders Meeting held in the form of the presence of shareholders (address at which the General Shareholders Meeting was held);
- 9.16.6. The General Shareholders Meeting agenda;
- 9.16.7. The starting time and the closing time of the registration of the persons entitled to participate in the General Shareholders Meeting held in the form of presence of the shareholders;
- 9.16.8. The time of the opening and closing of the General Shareholders Meeting held in the form of the presence of the shareholders; the starting time and the closing time of the vote counting in case the resolutions approved at the General Shareholders Meeting and the voting results were announced at the General Shareholders Meeting; the starting time of the vote counting shall also be indicated;
- 9.16.9. The postal address to which the filled voting ballots were sent;
- 9.16.10. The number of votes on each issue of the General Shareholders Meeting agenda owned by the persons included in the list of the persons entitled to participate in the General Shareholders Meeting;
- 9.16.11. The number of votes on each issue of the General Shareholders Meeting agenda owned by the persons participated in the General Shareholders Meeting; the fact whether a quorum on each issue was reached or not shall also be indicated;

- 9.16.12. The number of votes given for each voting option on each issue of the General Shareholders Meeting agenda (“in favor”, “against” and “abstain”) on which a quorum was reached;
- 9.16.13. The wording of the resolutions approved by the General Shareholders Meeting on each issue of the General Shareholders Meeting agenda;
- 9.16.14. Key points of speeches and names of the speakers who delivered reports on each issue of the General Shareholders Meeting agenda held in the form of the presence of the shareholders;
- 9.16.15. The General Shareholders Meeting Chairman and Secretary;
- 9.16.16. The date of compiling the General Shareholders Meeting Minutes.
- 9.17. In case an issue of the related party transaction is included in the General Shareholders Meeting agenda, the General Shareholders Meeting Minutes, the Records of the General Shareholders Meeting voting results and the Report of the voting results shall include:
- 9.17.1. The number of votes on the specified issue owned by all persons who were included in the lists of the persons entitled to participate in the General Shareholders Meeting and who have no interest in the transaction to be concluded by the Company;
- 9.17.2. The number of votes on the specified issue which were owned by all persons who participated in the General Shareholders Meeting and who have no interest in the transaction concluded by the Company;
- 9.17.3. The number of votes on the specified issue given for each voting option (“in favor”, “against” and “abstained”).
- 9.18. Upon a shareholder’s written request, a copy of the General Shareholders Meeting Minutes or an abstract from the General Shareholders Meeting Minutes shall be provided to this shareholder. Upon a shareholder’s request the documents can be forwarded him via e-mail.
- 9.19. A shareholder will have the right to appeal in the event that the resolution was approved by the General Shareholders Meeting with a breach of the provisions of the Federal Law “On Joint-Stock Companies”, other legal acts of the Russian Federation, the Company’s Charter, in the event that such shareholder did not participate in the General Shareholders Meeting or vote against the approval of such resolution and if the said resolution did not infringe his rights and legitimate interests.

## **10. THE GENERAL SHAREHOLDERS MEETING WORKING BODIES**

- 10.1. The General Shareholders Meeting working bodies include:
- 10.1.1. The Chairman;
- 10.1.2. The Counting Commission.
- 10.2. The Chairman shall be elected at the meeting by a majority vote of the shareholders participating at the General Shareholders Meeting.
- The Chairman shall exercise the following functions:
- 10.2.1. declare the General Shareholders Meeting open and closed, announce the General Shareholders Meeting agenda and priority order of delivering speeches and reports on the issues of the agenda, chair the General Shareholders Meeting, declare discussions of the agenda issues closed and the vote counting procedure opened, give the floor for delivering speeches and replying the General Shareholders Meeting participants’ questions, ensure that the General Shareholders Meeting is held in line with the procedure set forth in these Regulations.
- 10.2.2. Follow up adherence to the General Shareholders Meeting Rules of Procedure;
- 10.2.3. Sign the General Shareholders Meeting Minutes.
- 10.3. The Counting Commission shall be an independent permanent working body of the meeting in terms of performing the duties that the Counting Commission was entrusted with.
- 10.4. The Counting Commission will exercise the following functions:
- 10.4.1. Verify the term of reference and register the persons participating in the General Shareholders Meeting, keep the register;

- 10.4.2. Keep records of powers of attorney and the rights granted thereby and make notes in a respective register;
  - 10.4.3. Issue and send the voting ballots and other information (materials) related to the General Shareholders Meeting and keep a register of the issued (sent) voting ballots;
  - 10.4.4. Determine the General Shareholders Meeting quorum;
  - 10.4.5. Clarify the issues arising in connection with exercising of the shareholders' (the representatives') voting rights at the General Shareholders Meeting;
  - 10.4.6. Clarify the voting procedure on the issues put to voting;
  - 10.4.7. Ensure the established voting procedure and the shareholders' rights to attend and vote;
  - 10.4.8. Sign the votes and tally up the voting results;
  - 10.4.9. Compile the Records of the voting results;
  - 10.4.10. Keep files of all General Shareholders Meeting documents, including the voting ballots;
  - 10.4.11. Exercise other functions in accordance with the legislative rules of the Russian Federation, the Company's Charter and these Regulations.
- 10.5. The Counting Commission shall be elected at the General Shareholders Annual Meeting; at least 3 persons shall be included in the Counting Commission as proposed by the Board of Directors.
- The Board of Directors members, the Auditing Commission members (Auditor), the Company's President as well as the persons nominated by the candidates for these posts may not be included the Counting Commission. In the event that the number of the Company's voting shareholders is below one hundred (100), the General Shareholders Meeting shall be entitled to entrust the Company's Corporate Secretary or another individual with exercising the function of the Counting Commission. In the event that the number of the Company's voting shareholders exceeds one hundred (100), the Company shall set up a Counting Commission whose quantitative and personal composition shall be approved by the General Shareholders Meeting. The Counting Commission will be set up as the General Shareholders Meeting permanent body; the Counting Commission term of reference shall not be determined. In the event that the number of the Counting Commission members is below three (3) the General Shareholders Meeting shall elect new members or entrust the Company's Registrar with acting as the Counting Commission.
- 10.6. The Counting Commission will elect Chairman and Secretary from among its members. The Counting Commission Chairman will entrust one of the Commission's members with exercising the function of the General Shareholders Meeting Secretary. The General Shareholders Meeting Secretary will ensure verification of preparing drafts of the working documents to the meeting, materials and information on the issues of the General Shareholders Meeting agenda, he will also ensure that the shareholders are familiarized with the materials and information on the issues of the General Shareholders Meeting agenda as well as with the General Shareholders Meeting Minutes. The General Shareholders Meeting Secretary shall prepare and keep the General Shareholders Meeting Minutes.
- 10.7. In the event that the number of the Company's voting shareholders exceeds 500, the Company's Registrar will act as the Counting Commission. The General Shareholders Meeting resolution on entrusting the Registrar with acting as the Counting Commission will not be needed in this case. In this case, the term of reference set forth in Item 10.4 of these Regulations shall be performed by the persons authorized by the Registrar.

**11. TERM OF THE RULES AND REGULATIONS VALIDITY.  
PROCEDURE FOR INTRODUCING AMENDMENTS  
INTO THE RULES AND REGULATIONS**

11.1. These Regulations may be subject to amendments pursuant to a resolution of the General Shareholders Meeting.

The General Shareholders Meeting may terminate these Regulations and approve new Regulations “On the OJSC MTS General Shareholders Meeting.”

11.2. In the event of a conflict between the legislative rules of the Russian Federation and the provisions offset forth in these Regulations the legislative rules of the Russian Federation shall be applied.

11.3. The Federal Authority on the Securities Market may set out additional requirements with regards to the procedures of convoking and holding the General Shareholders Meeting. These requirements shall be applied regardless of whether they are provided for in these Regulations or not.