

APPROVED BY

Annual General Meeting of Shareholders
of Open Joint Stock Company

Minutes No ____
dated June ____ 2008

Chairman of General Meeting of Shareholders

**INSPECTION COMMISSION
CHARTER**

of open joint stock company
Far East Telecommunications Company

1. GENERAL PROVISIONS.

1.1. This Charter is developed in accordance with Federal Law “On Joint Stock Companies” and Company Articles of Association.

1.2. This Charter determines the procedure for Inspection Commission activities, including procedure for Inspection Commission meetings, inspections, powers of Inspection Commission members and procedure for interaction with Company management bodies.

1.3. Inspection Commission is elected by General Meeting of Shareholders in accordance with requirements of valid legislation and Company Articles of Association.

1.4. Powers of Inspection Commission and its separate members can be terminated in accordance with valid legislation, Company Articles of Association and this Charter.

2. COMPETENCE OF INSPECTION COMMISSION.

2.1. Inspection Commission provides control over Company business transactions, including Company branches and representative offices.

2.2. Inspection Commission provides control over Company business transactions within the Commission competence determined by Company Articles of Association.

2.3. Inspection Commission provides control by examination of Company business documentation including prime accounting and tax records.

3. RIGHTS OF INSPECTION COMMISSION MEMBERS.

3.1. In the course of its activity Inspection Commission may require and persons taking offices in Company management bodies must submit Company business transaction documents, including confidential ones, as follows:

3.1.1. request for submission of Company business transaction documents may be given to Company General Director both in oral and written form, persons taking offices in Company management bodies may require written confirmation of such request;

3.1.2. Company business transaction documents are submitted upon request from Inspection Commission in terms specified in the request, and if no terms are specified, the documents are submitted within 3 business days from the request date;

3.1.3. members of Inspection Commission have access to Company documents, including confidential ones, any time within fixed working hours, and if necessary, after working hours upon request;

3.1.4. in order to document findings of Company activities inspection (audit) Inspection Commission may require properly certified copies of Company business transaction documents;

3.1.5. in case of submission of wrong documents, refusal to submit, delay in terms prescribed by paragraph 3.1.2 of the Charter or any other impairment of its activity Inspection Commission may require from Company executive bodies to apply sanctions to persons guilty of the violation and to immediately submit the necessary documents;

3.1.6. any violation of requirements of the Charter subparagraph 3.1.5 by Company executive bodies, including violation in respect of applying sanctions to persons guilty of violation, shall be reported to Company Board of Directors and noted in Inspection Commission Opinion;

3.1.7. access to Company business transaction documents containing state secrecy shall be determined by valid legislation.

3.2. Inspection Commission may require convocation of Executive Committee, Board of Directors, Special General Meeting of Shareholders for solving issues within the competence of such bodies.

Company Inspection Commission may propose Board of Directors Committees consider any matter within the competence of respective committee.

Procedures for convocation of meetings of Executive Committee, Board of Directors, special General Meeting of Shareholders, meeting of Board of Directors Audit Committee at request or appeal of Inspection Commission shall be determined by valid legislation, Company Articles of Association and provisions for appropriate bodies. If the procedures have not been determined, the meeting shall be held within reasonable period of time from the date of request or appeal submission by Inspection Commission.

3.3. Inspection Commission may require personal explanation from Company official on issues within Inspection Commission competence. Inspection Commission shall attach the explanations to audit materials.

3.4. Explanations provided at the request of Inspection Commission must be provided in terms specified in p. 3.1.2 of the Charter. If no explanations are provided, or if knowingly wrong explanations are given, Inspection Commission shall act in accordance with procedures in paragraphs 3.1.5 and 3.1.6 of the Charter.

3.5. Inspection Commission may engage external experts (individuals or corporate bodies) for audit in accordance with p. 5.4 of the Charter.

3.6. If any violations are found within the competence of Inspection Commission, the Commission may propose Company management bodies to bring to responsibility Company employee (official) whose action or omission resulted in the violation.

3.7. Company management bodies shall inform Inspection Commission of corrective actions performed at the Commission request.

4. DUTIES OF INSPECTION COMMISSION MEMBERS. RESPONSIBILITY OF INSPECTION COMMISSION MEMBERS.

4.1. Members of Inspection Commission shall:

4.1.1. Not disclose any confidential information (keep commercial secret) that they may learn while executing their authorities.

4.1.2. Present their opinions as a result of Company audit according to Articles of Association and this Charter.

4.2. Members of Inspection Commission shall be liable for any violations during fulfillment of their duties in accordance with valid legislation of the Russian Federation.

5. INSPECTION COMMISSION PROCEDURES.

5.1. Election of Chairman and Secretary of Inspection Commission and their powers.

5.1.1. Work of Inspection Commission shall be managed by its Chairman elected by majority of votes of Inspection Commission members participating in voting at the first meeting of Inspection Commission. Chairman of Inspection Commission may be reelected any time by decision of majority of Inspection Commission members.

5.1.2. Candidate to the position of Inspection Commission Chairman may be proposed by any member of Inspection Commission. Member of Inspection Commission may propose him/herself to the position.

5.1.3. Chairman of Company Inspection Commission organizes its work, convenes meetings of Company Inspection Commission and presides thereat, arranges keeping minutes of the meetings.

5.1.4. Organizational support of Inspection Commission activities shall be provided by Inspection Commission Secretary elected at the first meeting of Inspection Commission. Inspection Commission Secretary is elected according to procedure similar to the procedure for election of Inspection Commission Chairman.

5.1.5. Immediately upon his/her election Secretary of Inspection Commission informs Company about the methods of handing over documents received by Inspection Commission in accordance with paragraph 6.1 of this Charter.

5.1.6. Secretary of Inspection Commission keeps minutes and ensures storage of documents related to Inspection Commission work in accordance with section 6 of this Charter.

5.2. Holding meetings of Inspection Commission.

5.2.1. All matters handled by Inspection Commission beyond competence of Chairman of Inspection Commission according to this Charter shall be solved at meetings of Inspection Commission. Meetings of Inspection Commission shall be held when necessary, however, not less than once per quarter.

5.2.2. The first meeting of Inspection Commission shall be held not later than within 15 days from the date of Inspection Commission election.

5.2.3. Meetings of Inspection Commission are presided by Chairman of Inspection Commission. In his absence members of Inspection Commission shall appoint a person acting for Chairman at the meeting, by majority of votes of members present at the meeting.

5.2.4. Minutes shall be kept at every meeting of Inspection Commission. In the absence of Chairman and/or Secretary of Inspection Commission persons acting for them shall be appointed at the meeting by majority of votes of members present at the meeting. Minutes are signed by person presiding at the meeting and Secretary of Inspection Commission.

5.2.5. Meetings of Inspection Commission must be held before and after Company audit.

5.2.6. Meetings of Inspection Commission may be held in the form of joint presence or by absentee ballot.

5.2.7. If meetings are held by absentee ballot, members of Inspection Commission shall be given documents including agenda and voting form enabling them to express their exact opinion on issues on the agenda.

Secretary of Inspection Commission shall arrange preparation and forwarding of documents for meeting held by absentee ballot. Chairman of Inspection Commission shall determine the term for members of Inspection Commission to express their opinion on issues on the agenda.

5.2.8. Meeting of Inspection Commission is considered competent if it is attended by at least one half of elected members of Inspection Commission.

If meeting is held by absentee ballot, it is considered valid if at least one half of elected members of Inspection Commission participated in the voting.

5.2.9. Resolutions of Inspection Commission are made by majority of votes of Inspection Commission members attending the meeting (participating in voting in case of holding meeting by absentee ballot).

Each member of Inspection Commission has one vote. In case of equality of votes Chairman of Inspection Commission shall have casting vote.

5.3. Performing audit by Inspection Commission.

5.3.1. Inspection Commission shall perform audit of Company business transactions as a result of year. Opinion on mandatory audit of Company business transactions for a year shall be submitted to Board of Directors not later than 14 business days before the date of annual report preliminary approval by Board of Directors.

5.3.2. Along with the audit specified in p. 5.3.1 of the Inspection Commission Charter must carry out unscheduled audits anytime in accordance with this Charter.

5.3.3. Unscheduled audit shall be carried out if initiated by:

- General Meeting of Company Shareholders;
- Company Board of Directors;
- shareholder(s) having at least 10% of Company voting shares;
- Company Inspection Commission itself.

5.3.4. Authorization for audit initiated by General Meeting of Shareholders or Board of Directors shall be appropriate resolution of Company management body.

Chairman of Inspection Commission must arrange unscheduled audit within 30 days from the date of appropriate resolution made by General Meeting of Shareholders or Board of Directors.

5.3.5. Authorization for audit initiated by a shareholder shall be appropriate written request received by Inspection Commission. Chairman of Inspection Commission must arrange unscheduled audit within 30 days from the moment of the request receipt.

5.3.6. If a member of Inspection Commission believes it necessary to carry out unscheduled audit of Company activities, he/she shall submit relevant proposal to Chairman of Inspection Commission. Chairman of Inspection Commission shall convene meeting of Inspection Commission to discuss the need for and terms of unscheduled audit. Unscheduled audit initiated by Inspection Commission itself must be carried out if it is voted for by majority of Inspection Commission members.

5.3.7. Prior to audit Chairman of Inspection Commission shall notify Board of Directors and Company General Director (Acting General Director) in writing about the issues subject to audit, initiator of the audit, estimated period of audit, necessity of engaging any external experts in the audit and any other significant conditions of audit.

5.3.8. In order to support activities of Inspection Commission Company General Director (Acting General Director) shall appoint a group of Company employees responsible for interaction with Inspection Commission.

5.4. Procedure for engaging external experts in certain audits carried out by Inspection Commission.

5.4.1. Board of Directors as well as any member of Inspection Commission may any time propose Chairman of Inspection Commission to engage in audit external experts (individuals or corporate bodies), other than members of Inspection Commission or Company employees.

Decision on the need to engage external experts shall be made at meeting of Inspection Commission.

5.4.2. If it is possible to engage external expert on paid basis only, they shall be engaged at preliminary consent of Company Board of Directors. In its decision Board of Directors shall determine payment procedures and other material conditions of engaging external experts in audit carried out by Inspection Commission.

Contract with engaged expert on terms determined by Board of Directors shall be executed by Company General Director.

5.4.3. Engaged experts must not disclose any confidential information (keep commercial secrecy), which they may learn in the course of audit.

In case of engaging external expert Inspection Commission must provide for signing a nondisclosure agreement between the experts and Company prior to the experts engagement in audit (revision).

5.5. Recording of results of audits carried out by Inspection Commission.

5.5.1. Report on the results of audit shall be prepared not later than within 5 business days from the moment of audit completion.

The report is prepared based on written opinions of members of Inspection Commission participating in the audit as submitted to Inspection Commission Secretary not later than within 3 business days from completion of audit (revision).

The report must contain consistent statement of documented violations in Company business transactions revealed by audit, or indication of absence of the same, as well as conclusions and recommendations of Inspection Commission concerning rectification of any findings.

The report shall be signed by Chairman of Inspection Commission and its members participating in the audit and forwarded to sole executive body. Sole executive body may present its objections and/or documents of any findings to Inspection Commission, within 3 business days.

5.5.2. In accordance with Audit Report Inspection Commission shall prepare its written opinion, including opinion on reliability of data contained in Company reports and any other financial statements.

5.5.3. The opinion must contain the following information:

- summary of audited company;
- information about Inspection Commission membership;
- audited period;
- method of audit;
- Inspection Commission conclusions on the reliability of accounting statements in general, in its particular part, or on the insufficiency of the same.

5.5.4. The opinion shall be signed by Chairman of Inspection Commission and its members participating in the audit. All differences arising from preparation of the opinion shall be settled by voting by majority of votes. A member of Inspection Commission objecting to any statements contained in the opinion may put his/her position in writing.

5.5.5. The opinion shall be prepared within 10 business days from the moment of audit completion.

Within five days from the moment of preparation Inspection Commission shall make the opinion known to Board of Directors, Company General Director and initiator of the audit, if initiator was Company shareholder.

6. STORAGE OF INSPECTION COMMISSION DOCUMENTS AND THEIR PROVISION TO PERSONS CONCERNED.

6.1. All documents addressed to Inspection Commission (in particular, requests for audit), shall be sent to the address of Inspection Commission by registered letter with notice of receipt or delivered to Company secretariat (front office). Company execution bodies shall arrange handover of the documents received to Chairman of Inspection Commission or to Secretary of Inspection Commission.

6.2. Opinions of Inspection Commission shall be kept at the location of executive body.

6.3. Opinions of Inspection Commission are made available to persons entitled to access to such documents in accordance with valid legislation and in compliance with procedures prescribed by valid legislation and Company Articles of Association.

6.4. Minutes of Inspection Commission meetings and any other documents related to Inspection Commission activities (except for opinions) are kept by Secretary of Inspection Commission. In case of Inspection Commission reelection Secretary must hand over the documents to newly elected Secretary of Inspection Commission.

7. MATERIAL SUPPORT OF INSPECTION COMMISSION ACTIVITIES. FEES AND COMPENSATIONS TO MEMBERS OF INSPECTION COMMISSION.

7.1. Company shall provide premises equipped with office facilities (telephones, fax machines, computers, printers and other office equipment as reasonably requested by Chairman of Inspection Commission) to support activities of Inspection Commission (including holding meetings of Inspection Commission and for the time of audit). The premises must be located so that not to impair work of Inspection Commission.

7.2. Inspection Commission shall be provided with stationery and any other expendables at Company expenses in the amount necessary for the work of Inspection Commission.

7.3. Members of Inspection Commission shall be reimbursed against all evidenced expenses related to fulfillment of duties of Inspection Commission members.

7.4. During the period of fulfillment of their duties members of Inspection Commission are paid quarterly fees in the amount of **250,000** rubles each.

Quarterly fee for Chairman of Inspection Commission shall be determined with the coefficient 1.3.

Fee for member of Inspection Commission for the quarter when Inspection Commission was reelected or when some members withdrew from Inspection Commission in accordance with paragraph 8 of the Charter, shall be paid pro rata to time of work in the quarter.

8. TERMINATION OF POWERS.

8.1. Power of certain members of Inspection Commission or all of them may be early terminated by resolution of General Meeting of Shareholders.

8.2. A member of Inspection Commission may any time voluntarily withdraw from the Commission by written notice to Chairman of Inspection Commission and Company. In this case powers of the member of Inspection Commission shall be terminated on the day of such notice.

8.3. The following procedure shall be observed for Chairman withdrawal from Inspection Commission:

- Chairman of Inspection Commission notifies Company of his/her decision to withdraw from Inspection Commission;
- Chairman convenes meeting of Inspection Commission;
- meeting of Inspection Commission elects new Chairman.

8.4. Powers and duties of Chairman of Inspection Commission shall survive till the moment of election of new Chairman of Inspection Commission.

8.5. If actual membership of Inspection Commission is less than one half of quantitative membership of Inspection Commission as determined by Company Articles of Association, Chairman of Inspection Commission shall within 5 days from such occurrence notify Company Board of Directors accordingly. Board of Directors must convene Special General Meeting of Shareholders to elect new membership of Inspection Commission.

9. FINAL PROVISIONS.

9.1. This Charter is subject to approval by General Meeting of Shareholders by majority of holders of Company voting shares participating in General Meeting of Shareholders.

9.2. Decision on making amendments to this Charter is made by General Meeting of Shareholders by majority of holders of Company voting shares participating in General Meeting of Shareholders.

9.3. If, as a result of any amendments to Russian Federation legislation of Company Articles of Association certain clauses of the Charter come into conflict with the same, such clauses shall be void, and members of Inspection Commission shall be regulated by valid legislation till the moment of appropriate amending of this Charter.