

EXTRACT FROM THE MINUTES № 20

Of a meeting of the Board of Directors
Of Centertelecom OJSC

Moscow

14 May 2008

Sederunt:

Chairman of the Board of Directors

A. N. Kiselev

Vice-Chairman of the Board of Directors

S. I. Kuztsetsov

Members of the Board of Directors:

M. A. Alexeev, N. B. Arutiunov, O. V. Petrova, V. A. Polischuk, V. D. Savchenko, E. P. Selvich, A. V. Shevchuk (via conference connection regarding item 2 of the agenda).

Corporate Secretary (Secretary of the Board of Directors) S. A. Grushin.

Invited:

V. A. Marirosian – the Chairman of the Executive Committee, General Director of Centertelecom OJSC

Y. G. Lavrentieva – Director of the public and investor relationship department of Centertelecom OJSC

Quorum for a meeting of the Board of Directors is present.

In relation to the first item of the agenda “Preliminary approval of the Company’s annual reports. Recommendations to the annual general meeting of shareholders regarding distribution of the profits, including amount and payment procedure of dividends on the Company’s shares, as well as Company’s losses as of the end of 2007 financial year”:

...

Resolution:

1. The annual report of the Company for 2007 to be preliminarily approved.
2. To recommend to the Company’s annual general meeting of shareholders:
 1. to distribute the Company’s profits as of the end of 2007 financial year as follows:
 - for payment of dividends 923 206,94 thousands roubles, including:
 - On preferential shares of the A type – 0,6910119 roubles/share;
 - On normal shares – 0,3547131 roubles/share;
 - for forming of the surplus fund 181 733,65 thousands roubles;
 - for increasing of the Company’s own capital 2 529 732,41 thousands roubles.
 2. to define the procedure of payment of dividends to persons included on the list of persons entitled to dividends:
 - to enact payment in accordance with the method of payment set forth in the registered person’s form (via banking transfer, postal order, or by cash through the Company’s; cashiers).

In relation to the second item of the agenda “Including of the item “On making amendments to the Company’s Articles of Association. Approving of the new edition of the Company’s Articles of Association” in the agenda of the annual general meeting of shareholders”:

...

Resolution:

1. To include the item “On making amendments to the Company’s Articles of Association. Approving of the new edition of the Company’s Articles of Association” in the agenda of the annual general meeting of shareholders, with the following projected decision:

«1. To make amendments and additions to the Company’s Articles of Association.

2. To approve of the new edition of the Company’s Articles of Association, taking into account amendments and additions included in it».

2. To include projects of amendments and additions to the Company’s Articles of Association, recommended by the Corporate Management Committee of the Company’s Board of Directors, in the list of amendments and additions, proposed to enter in the Company’s Articles of Association.

3. When approving text and composition of the voting bulletins, provide for the possibility of separate voting on the fifth item of the annual general meeting of shareholders, concerning increase of the lower cap of transactions, presented for approval to the Board of Directors and related to direct or indirect purchasing, disposal or possible disposal of property by the Company, to 1%.

In relation to the third item of the agenda «Including of the item “On approving of the new edition of the Statute of the Company’s general meeting of shareholders” in the agenda of the annual general meeting of shareholders»:

...

Resolution:

To include the item “On approving of the new edition of the Statute of the Company’s general meeting of shareholders” in the agenda of the annual general meeting of shareholders, with the following projected decision:

«To approve the new edition of the Statute of the Company’s general meeting of shareholders».

In relation to the fourth item of the agenda «Including of the item “On approving of the new edition of the Statute of the Company’s Board of Directors” in the agenda of the annual general meeting of shareholders»:

...

Resolution:

To include the item “On approving of the new edition of the Statute of the Company’s Board of Directors” in the agenda of the annual general meeting of shareholders, with the following projected decision:

«To approve the new edition of the Statute of the Company’s Board of Directors».

In relation to the fifth item of the agenda «Including of the item “On approving of the new edition of the Statute of the Company’s Auditing Committee” in the agenda of the annual general meeting of shareholders»:

...

Resolution:

To include the item “On approving of the new edition of the Statute of the Company’s Auditing Committee” in the agenda of the annual general meeting of shareholders, with the following projected decision:

«To approve the new edition of the Statute of the Company’s Auditing Committee ».

In relation to the sixth item of the agenda «Including of the item “On approving of the norms (per cent) of deductions for the purpose of calculation of annual remuneration to the members of the Company’s Board of Directors” in the agenda of the annual general meeting of shareholders»:

...

Resolution:

To include the item “On approving of the norms (per cent) of deductions for the purpose of calculation of annual remuneration to the members of the Company’s Board of Directors” in the agenda of the annual general meeting of shareholders, with the following projected decision:

«To approve the following norms (per cent) of deductions for the purpose of calculation of annual remuneration to the members of the Company’s Board of Directors:

–0,26% of the Company’s EBITDA in accordance with the accounting data under IFRS for 2008;

–0,78% of the Company’s net profit allocated for payment of dividends, following the results of 2008».

In relation to the seventh item of the agenda «Proposal of the candidate for the office of the Company’s Auditor for 2008 by the Board of Directors »:

...

Resolution:

To propose to the general meeting of shareholders to approve of KMPG Ltd as the Company’s Auditor for 2008.

In relation to the eighth item of the agenda «On approval of the agenda of the annual general meeting of shareholders of Centertelecom OJSC »:

...

Resolution:

To approve the following agenda of the annual general meeting of shareholders:

1. Approval of the annual report, annual book-keeping report, including the profit and loss report (profit and loss account), as well as distribution of profits (including payment of dividends) and losses of the company, following the results of 2008 financial year.
2. Election of members of the Company’s Board of Directors.
3. Election of members of the Company’s Auditing Committee.
4. Approving of the Company’s Auditor for 2008.
5. Additions and amendments to the Company’s Articles of Association. Approval of the new edition of the Company’s Articles of Association.
6. Approving of the new edition of the Statute of the Company’s general meeting of shareholders.
7. Approving of the new edition of the Statute of the Company’s Board of Directors.
8. Approving of the new edition of the Statute of the Company’s Auditing Committee.
9. Approving of the norms (per cent) of deductions for the purpose of calculation of annual remuneration to the members of the Company’s Board of Directors.

In relation to the ninth item of the agenda «On defining of the list, and procedure of providing of information (materials) to be presented to the persons, entitled to participate in the annual general meeting of shareholders:

...

Resolution:

I. To define the following list of information (materials) to be presented to the persons, entitled to participate in the annual general meeting of shareholders during the preparation to the Company's annual general meeting of shareholders:

1. The Company's annual report for 2007.
2. The Company's annual book-keeping report for 2007.
3. Opinion of the Company's Auditing Committee concerning the Company's annual report for 2007.
4. Opinion of the Company's Auditor following inspection of the Company's annual book-keeping report for 2007.
5. Excerpt from the Audit Committee meeting protocol with estimation of the opinion of the Company's Auditor.
6. Recommendations of the Company's Board of Directors related to distribution of profits, including the amount and the procedure of payment of dividends on the Company's shares, as well as the Company's losses following the result of 2007 financial year.
7. Projected changes to the Company's Articles of Association. The new edition of the Company's Articles of Association.
8. A project of the new edition of the Statute of the Company's general meeting of shareholders.
9. A project of the new edition of the Statute of the Company's Board of Directors.
10. A project of the new edition of the Statute of the Company's Auditing Committee.
11. Excerpts from protocols of meetings of the Company's Board of Directors related to matters of preparation of annual general meeting of shareholders.
12. Information concerning candidates:
 - to the Company's Board of Directors;
 - to the Company's Auditing Committee.
13. Information concerning a candidate to the office of the Company's Auditor.
14. Projected decisions of the Company's annual general meeting of shareholders.
15. Information concerning shareholders who presented any proposals for the agenda of the Company's annual general meeting of shareholders.
16. Written consents of the candidates to stand for election to the administrative and control bodies of the Company, or information about absence of such consent.

II. To define the following procedure for informing of the persons entitled to participate in the annual general meeting of shareholders, during preparation for the Company's annual general meeting of shareholders:

Information (materials) are free for access starting from 26 May 2008 on every business day 9.00 - 18.00 (9.00 – 17.00 on Fridays) at the following addresses:

- 23, Proletarskaya str., Khimki, Moscow region, 414000 tel. (495) 572-70-02 Centertelecom OJSC;
Suite 402, 6, building 2, Degtyarny lane, 125993, Moscow, tel. (495) 793-23-58, 793-23-83, 793-26-54 Centertelecom OJSC;
- 29, bldg. 2, Narodnogo Opolcheniya st., Moscow, tel. (495) 791-98-84 Centertelecom OJSC – Moscow branch;
- 3 Sobornaya pl., Belgorod, 308000, tel. (4722) 35-03-87 - Centertelecom OJSC - Belgorod branch;
- 9, K. Marx pl., Bryansk, 241050, tel. (4832) 72-15-75 – Centertelecom OJSC Bryansk branch;
- 42 Gorky str., Vladimir, 600000, tel. (4922) 35-33-50 – Centertelecom OJSC, Vladimir branch;
- 35 Revolution ave., Voronezh, tel. (4732) 53-34-73 – Centertelecom OJSC, Voronezh branch;
- 38 Teatralnaya str., Kaluga, tel. (4842) 79-62-05 - Centertelecom OJSC, Kaluga branch;
- 8 Krasnaya square, Kursk, tel. (4712) 70-10-30 - Centertelecom OJSC, Kursk branch;
- 35-a Tereshkova str., Lipetsk, tel. (4742) 38-12-48 - Centertelecom OJSC, Lipetsk branch;
- 43 Lenin str., Orel, tel. (4862) 43-18-96 - Centertelecom OJSC, Orel branch;
- 43 Shchedrin str., Ryazan, tel. (4912) 27-22-05 - Centertelecom OJSC, Ryazan branch;
- 6 October Revolution str., Smolensk, tel. (4812) 68-31-76 - Centertelecom OJSC, Smolensk branch;
- 2-B Astrakhan str., Tambov, tel. (4752) 75-05-88 - Centertelecom OJSC, Tambov branch;
- 24 Novotorzhskaya str., Tver, tel. (4822) 32-37-17 - Centertelecom OJSC, Tver branch;
- 33-a Lenina str., Tula, tel. (4872) 21-73-51 - Centertelecom OJSC, Tula branch;

22, Komsomolskaya st., Yaroslavl, tel. (4852) 73-24-40, (4932) 47-13-36, (4942) 62-10-23 - Centertelecom OJSC, Upper Volga branch;
on the Company's Internet site: www.centertelecom.ru.

In relation to the tenth item of the agenda «On defining of the procedure for informing of shareholders about annual general meeting of shareholders»:

...

Resolution:

To set forth the following procedure for informing of shareholders about the general meeting of shareholders:

– to publish a notice about the Company's annual general meeting of shareholders in "Rossiyskaya Gazeta" no later than 23 May 2008.

– Additionally, a notice concerning the Company's annual general meeting of shareholders together with voting bulletin on all the items of the agenda shall be sent to the persons, entitled to participate in the Company's annual general meeting of shareholders via registered mail or delivered personally against signature.

In relation to the eleven item of the agenda «On approving of text and composition of voting bulletins for the annual general meeting of shareholders»:

...

Resolution:

To approve of text and composition of voting bulletins for the annual general meeting of shareholders.

Centertelecom OJSC
Chairman of the
Board of Directors

(SIGNATURE)

A. N. Kiselev

Centertelecom OJSC
Corporate Secretary
(Secretary of the Board of Directors)
Grushin

(SIGNATURE)

S. A.

This excerpt is correct:

Centertelecom OJSC
Corporate Secretary
(Secretary of the Board of Directors)

S. A. Grushin