

**Recommendations of the Board of Directors of "UTK" PJSC
to the Annual General Shareholders' Meeting in relation to voting on each agenda item of the annual General
Shareholders' Meeting.**

1. On the agenda item of the General Shareholders' Meeting: **Approval of annual report, annual financial statements including profit and loss statement (profit and loss accounts) and distribution of profits (including dividend payment) and losses on the basis of the reported fiscal year 2006 financial results.**

According to the Company's financial reporting assets value as of 31.12.2006 made **41,341** million rubles. Net assets increased by 1,017 million rubles to 13,901 million rubles. Authorized capital of the Company was 1,297.8 million rubles. 2006 net profit was 1,184,442 thousand rubles.

In the opinion of the members of the Auditing Commission of "UTK" PJSC based on the results of the audit of the financial and business activity of "Southern Telecommunications Company" PJSC

- decisions on the Company's financial and economic operations were taken by UTK's Board of Directors and Management Board in 2006 in compliance with the current legislation and the Charter;
- 2006 financial statements of "Southern Telecommunications Company" PJSC, except for the qualifications specified in the Auditor's Report, reliably present, in all material aspects, the financial standing of "Southern Telecommunications Company" PJSC and its financial results for the period from January 1, 2006 till December 31, 2006;
- Annual report presented by the Company contains true data with respect to all material aspects to be reflected in the annual report in accordance with the requirements of the Russian laws.

According to the Charter of the Company, the Provisions on Dividend Policy of "UTK" PJSC, 10 % of net profit should be allocated to dividend payment on preference shares.

According to the Charter of the Company, the Provisions on Dividend Policy of "UTK" PJSC at least 10 % of net profit should be allocated to dividend payment under ordinary shares.

Therefore, the Board of Directors recommends to the annual General Shareholders' Meeting:

- 1) to approve annual report, annual financial statements including profit and loss statement (profit and loss accounts) on the basis of the reported fiscal year 2006 financial results.
- 2) To distribute the Company's profits on the basis of the reported fiscal year 2006 financial results as follows:
 - 275,444 thousand rubles to pay dividends, including:

0.121838 rubles per one preference share;

0.053031rubles per one ordinary share;

- 908,998 thousand rubles to increase the Company's owned capital.

To pay dividends on preference shares in cash prior to 24 August 2007, to pay dividends on ordinary shares in cash prior to 20 December 2007.

To determine the following procedure for payment of dividends to the persons included in the list of persons entitled to receive dividends, made up according to the data in the register of shareholders of the Company as of May 7, 2007:

- transfer to bank accounts of shareholders (shareholders shall bear expenses related to the dividends to be received by them);
- postal order (shareholders shall bear postal expenses related to the dividends to be received by them);
- cash payment in the Company's pay-offices (only to the Company's employees).

2. On the agenda item of the Annual General Shareholders' Meeting: **Election of the members to the Company's Board of Directors.**

On March 5 2007 the Board of directors considered the question on nomination of candidates to the Board of directors of the Company (Minutes № 27). The Board of Directors took a decision to declare valid the shareholders' proposals on nomination of the candidates to the Board of Directors of "UTK" PJSC, received by the Company, and to include the following persons in the list of candidates to be voted for election to the Board of Directors of the Company:

№	Full name of the candidate	Place of employment and position held
1	Alexander Vladimirovich Andreev	General Director of "Southern Telecommunications Company" PJSC
2	Boris Dmitrievich Antonyuk	Deputy Minister for Information Technologies and Communications of the Russian Federation
3	Yuriy Alexandrovich Bilibin	Adviser of the General Director, "Svyazinvest" OJSC
4	Mikhail Borisovich Vasilyev	Head of the Representative Office in Saint Petersburg, "NCH Advisors Inc."
5	Yekaterina Olegovna Vasilyeva	Director of the Corporate Finance Department, KIT Finance Investment Bank
6	Vladislav Sergeevich Vasin	First Deputy Director General, "Sky Link" CJSC

№	Full name of the candidate	Place of employment and position held
7	Yevgenia Sergeevna Vinokurova	Head of the section, Economics and Finance Department of “Svyazinvest” OJSC
8	Andrey Alexandrovich Vinkov	Reviewer, ANO “Expert” Magazine”
9	Dmitry Viktorovich Vitchinka	Director of the MTS branch “Macro- region “Yug”
10	Natalia Sergeevna Vorobyova	Head of the section, Strategic Development Department of “Svyazinvest” OJSC
11	Anatoly Anatolievich Gavrilenko	General Director, “Leader” CJSC (Pension fund assets management company)
12	Alexey Valentinovich Goltsov	General Director, “MGTS” OJSC
13	Yevgeny Petrovich Yenin	Deputy Director of Non-profit partnership “Russian Institute of Directors”
14	Vladimir Borisovich Zhelonkin	Deputy Director General, “Svyazinvest” OJSC
15	Oleg Borisovich Zyuzin	Head of Information Technologies Department, “Leader” CJSC (Pension fund assets management company)
16	Gennady Georgievich Kudryavtsev	Representative of “Svyazinvest” OJSC
17	Denis Viktorovich Kulikov	Expert, Investor Protection Association (non-profit organization)
18	Oleg Mikhailovich Mikhailov	Director of the External Communications Department, “Svyazinvest” OJSC
19	Natalia Yurievna Odintsova	Leading analyst of CJSC “Leader” (Pension fund assets management company)
20	Stanislav Nikolaevich Panchenko	Deputy Director General, “Svyazinvest” OJSC
21	Ekaterina Alexandrovna Punina	Chief specialist of Corporate Governance and Legal Department, “Svyazinvest” OJSC
22	Elena Petrovna Selvich	Executive Director - Director of the Economics and Finance Department, “Svyazinvest” OJSC
23	Maxim Yurievich Tsiganov	Managing Director the KIT Finance Investment Bank branch in Moscow
24	Olga Borisovna Chernova	Technical Director of the MTS branch “Macro- region “Yug”

According to item 13.2. of article 13 of the Charter of the Company the Board of director shall consist of 11 persons to be elected at the annual General Shareholders' Meeting by cumulative voting.

Thus, 11 persons out of 24 proposed candidates should be elected to the Board of Directors.

Information on availability of the consent expressed in written form of the candidates to be elected to the Company's Board of Directors and biographic data of the proposed candidates to the Board of Directors of "UTK" PJSC are enclosed

3. On the agenda item of the annual General Shareholders' Meeting: **Election of the members to the Company's Auditing Commission.**

On March 5, 2007 the Board of Directors considered the question on nomination of candidates to the Auditing Commission of the Company (Minutes № 27). The Board of Directors took a decision to declare valid the shareholders' proposals on nomination of the candidates to the Auditing Commission of "UTK" PJSC, received by the Company, and to include the following persons in the list of candidates to be voted for election to the Auditing Commission of the Company:

№	Full name of the candidate	Place of employment and position held
1	Ruslan Kyarimovich Aksyaitov	Deputy Chief Accountant – Head of the section, Accounting, Taxation and Statistics Department of “Svyazinvest” OJSC
2	Konstantin Anatolievich Kirsta	Head of the Audit Group of the MTS branch “Macro- region “Yug”
3	Natalia Viktorovna Koshel	Director – Chief Accountant of MRBTs of the MTS branch “Macro- region “Yug”
4	Victor Nikolaevich Lisenkov	Director of the Department of External Relations and Relations with Regulating Authorities, “Systema Telecom” CJSC
5	Sergey Vladimirovich Podosinov	Deputy Head of the Internal Audit Department, “Svyazinvest” OJSC
6	Igor Georgievich Polovnev	Economist, Investor Protection Association (non-profit organization)
7	Mikhail Viktorovich Tretyakov	Head of the section, Economics and Finance Department of “Svyazinvest” OJSC
8	Natalia Vadimovna Feoktistova	Head of the section of Corporate Governance and Legal Department, “Svyazinvest” OJSC
9	Olga Sergeevna Chetvyorkina	Chief specialist of the Internal Audit Department, “Svyazinvest” OJSC
10	Alexander Viktorovich Shevchuk	Expert, Investor Protection Association (non-profit organization)

According to item 17.2. of article 17 of the Charter of the Company the Auditing Commission shall consist of 5 persons.

Thus, 5 persons out of 10 proposed candidates should be elected to the Auditing Commission.

Information on availability of the consent expressed in written form of the candidates to be elected to the company's Auditing Commission and biographic data of the proposed candidates to the Auditing Commission of "UTK" PJSC are enclosed

4. On the agenda item of the annual General Shareholders' Meeting: **Appointment of the Company's Auditor for the year 2007.**

The Board of Directors suggests to consider CJSC "KPMG" as a probable Auditor of the Company for 2007.

In 2007 pursuant to the Provisions «On the Contest Committee for selection of an auditing company to perform obligatory audit of the bookkeeping procedures and financial accounts of "UTK" PJSC" and "On the procedure for holding a contest for selection of auditing companies to perform obligatory audit of the bookkeeping procedures and financial accounts of "UTK" PJSC" approved by the Board of Directors of "Southern Telecommunications Company" PJSC (Minutes № 25 of February 22, 2007), the Company hold the contest for selection of an auditing company to perform obligatory audit of the bookkeeping procedures and financial accounts of "UTK" PJSC for the year 2007. According to the Minutes of the Contest Committee № 4 of April 4, 2007, the auditing company CJSC "KPMG" was announced the contest winner.

To comply with the recommendations of the Code of Corporate Conduct of the Federal Commission for Securities Markets approved by the Government of the Russian Federation on November 28, 2001 and to protect the rights and legitimate interests of shareholders, the Audit Committee of the Board of Directors estimates the candidates to the Company's auditors and makes recommendations to the Board of Directors on selection of an independent auditing company.

5. On the agenda item of the annual General Shareholders' Meeting: **Determination of the size of annual remuneration to be paid to the members of the Board of Directors.**

In accordance with the Statute on the Board of Directors the size of remuneration payable to the members of the Board of Directors shall be determined at the General Shareholders' Meeting at which they were elected. As the agenda of the annual General Shareholders' Meeting includes the item on election of the members to the Board of Directors of the Company, the size of their remuneration shall also be determined.

Pursuant to item 7.4 of Article 7 of the Statute of the Board of Directors annual remuneration for the entire body of the Board of Directors of the Company shall be rated as a sum of:

percentage of the Company's EBITDA for the reported year as per the Company's financial statements in accordance with IFRS;

percentage of the Company's net profit allocated to dividend payment according to the financial results of the reporting year;

Therefore, the Board of Directors recommends to approve the following rates of deductions for calculation of the annual remuneration payable to the members of the Board of Directors to be elected by the annual General Shareholders' Meeting:

0.26% of the Company's EBITDA shown in 2007 IFRS financial statements of "Southern Telecommunications Company" PJSC;

0.78% of the Company's net profit allocated to dividend payment on the basis of 2007 financial results

6. On the agenda item of the Annual General Shareholders' Meeting: **Introduction of amendments and additions to the Company's Charter.**

On March 5, 2007 the Board of Directors considered the shareholders' proposal on including the item "Introduction of amendments and additions to the Company's Charter" in the agenda of the Annual General Shareholders' Meeting and declared it valid (Minutes № 27). In order to improve the Company's corporate governance practices and to comply with effective rules and regulations, the Board of Directors recommends to the Annual General Shareholders' Meeting to introduce the following amendments and additions into the Charter of "Southern Telecommunications Company" PJSC:

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
1	Item 5.4	5.4. The Company's branches and representative offices shall operate in accordance with the Provisions thereon to be approved by the Board of Directors. The Board of Directors shall adopt resolutions on establishment of branches,	5.3. The Company's branches and representative offices shall operate in accordance with the Provisions thereon to be approved by the Board of Directors. The Board of Directors shall adopt resolutions on establishment of branches, representative offices and on their liquidation.	Editorial correction

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		<p>representative offices and on their liquidation.</p> <p>Branches of the Company have multilevel structure including structural subdivisions situated outside registered location addresses of the branches indicated in item 5.2 hereof.</p> <p>Heads of branch establishments and representative offices shall be nominated and relieved of their posts by the Company's General Director by preliminary agreement with the Board of Directors. Heads of branches and representative offices shall act on behalf of the Company on the basis of the Power of Attorney.</p> <p>By resolution of the Management Board a collegiate executive body of the branch can be set up for organizing the execution of decisions of the Company's bodies and acting on the basis of the Provisions approved by the Management Board of the</p>	<p>Branches of the Company have multilevel structure including structural subdivisions situated outside registered location addresses of the branches indicated in item 5.2 hereof.</p> <p>Heads of branch establishments and representative offices shall be nominated and relieved of their posts by the Company's General Director by preliminary agreement with the Board of Directors. Heads of branches and representative offices shall act on behalf of the Company on the basis of the Power of Attorney.</p> <p>By resolution of the Management Board a collegiate executive body of the branch can be set up for organizing the execution of decisions of the Company's bodies and acting on the basis of the Provisions approved by the Management Board of the Company.</p>	

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		Company.		
2	Article 7 item 7.5.	7.5. Shareholders owning at least 1 percent of the votes at the General Shareholders' Meeting may demand from the Company submission of a list of persons authorized to attend the Meeting. In such a case, data from the documents and postal addresses of the shareholders on the list shall be given only with their expressed consent.	7.5. Shareholders owning at least 1 percent of votes at the General Shareholders' Meeting may demand that the Company provides the list of persons authorized to attend the Meeting. In such a case, data of the documents and mailing addresses of the shareholders- individuals on the list may only be provided by their consent.	The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder owning no less than 2 percent of the Company's voting shares.
3	Article 10 item 10.1.	10.1. The Company may, once in a year, decide on (declare) the payment of dividends on the placed shares. The dividends shall be paid out of the Company's net profit stated in the Profit and Loss Statement for the results of the year. Dividends on preferred shares may be paid out of the Company's funds specially allotted for this purpose. In case of the Company's reorganization through merger of other companies into it, net profit shall be assessed by adding its net profit and net profits (losses) of the	10.1. The Company may take decision on (declare) the payment of dividends on the placed shares on the basis of the results of the first quarter, half, nine months of the financial year and/or the results of the financial year. A resolution to pay/declare dividends on the basis of results of the first quarter, half and nine months of the financial year may be adopted within three months after the end of the respective period. The dividends shall be paid out of the Company's net profit stated in the financial statements of the Company. Dividends on preferred shares of certain categories may be also paid out of the Company's funds	The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder owning no less than 2 percent of the Company's voting shares.

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		<p>merged companies stated in their Profit and Loss Statements as at the last reporting date (date of reorganization) in accordance with effective accounting standards.</p> <p>The General Shareholders' Meeting shall take the decision on payment of annual dividends, their size and form of payment under stocks of each category (type). The size of annual dividends shall not exceed the value recommended by the Company's Board of Directors.</p> <p>The Company shall make a list of shareholders entitled to receive annual dividends. The list shall be prepared using the data of the Register as of the record date (the date of drawing-up the list of persons authorized to attend the annual General Meeting of the Shareholders).</p>	<p>specially allotted for this purpose.</p> <p>In case of the Company's reorganization through merger of other companies into it, net profit shall be assessed by adding its net profit and net profits (losses) of the merged companies stated in their Profit and Loss Statements as at the last reporting date (date of reorganization) in accordance with effective accounting standards.</p> <p>The General Shareholders' Meeting shall take the decision on payment of dividends, their size and form of payment under stocks of each category (type). The size of dividends shall not exceed the value recommended by the Company's Board of Directors.</p> <p>The list of persons entitled to receive dividends shall be prepared as at the date of drawing up the list of persons entitled to participate in the General Meeting of Shareholders that adopted the resolution to pay the dividends. For the purpose of preparing the list of persons entitled to receive dividends, a nominee holder of shares of the Company shall submit information on the persons in whose interests he holds the shares of the</p>	

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			Company.	
4	Article 10 item 10.2	10.2. Dividends on preferred type A shares shall be paid out within the time period set by the resolution of the General Shareholders Meeting on the Company's annual dividend payment. The said time period shall be set within 60 days after passing the decision to pay the annual dividends.	10.2. Dividends on preferred shares shall be paid out no later than 60 days after adopting the decision to pay the dividends, provided a shorter period is not set by the resolution of the General Shareholders Meeting. Size of dividends on preferred shares is determined in item 8.2 herein.	The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder owning no less than 2 percent of the Company's voting shares.
5	Article 10 item 10.3	10.3. Dividends on ordinary shares shall be paid out within the time period set by the resolution of the General Shareholders Meeting on the Company's annual dividend payment. The set time period shall be later than the end of the fiscal year in which the resolution on annual dividend payment was taken.	10.3. Annual dividends on ordinary shares shall be paid out no later than 31 st December of the fiscal year in which the resolution on annual dividend payment was adopted, if earlier time period is not set by the resolution of the General Shareholders Meeting. Dividends on ordinary shares on the basis of the results of the first quarter, half, nine months of the financial year shall be paid out no later than 60 days after adopting the decision to pay the dividends, provided a shorter period is not set by the resolution of the General Shareholders Meeting.	The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder owning no less than 2 percent of the Company's voting shares.
6	Article 12 item 12.2 sub-item 13.	Absent	13.1) payment/declaration of dividends on the basis of the results of the first quarter, half, nine months of the financial	According to sub-item 10.1 of item 1 of Article 48 of the Federal Law «On Joint –

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
	1		year, in which case a decision shall be passed by a majority of voting shareholders taking part in the General Shareholders' Meeting	Stock Companies».
7	Article 12 item 12.2 sub-item 13	13) approval of the Company's annual reports, balance sheets, income and loss statements, distribution of profits and losses including dividend payment (declaration). The decisions in these cases shall be passed by a majority of voting shareholders taking part in the General Shareholders' Meeting;	13) approval of the Company's annual reports and annual financial statements, including income statements (profit and loss accounts), and distribution of profits (including the payment/declaration of dividends, except profits distributed as dividends on the basis of results of the first quarter, half, and nine months of the financial year) and losses of the Company on the basis of results of the financial year, in which case a decision shall be passed by a majority of voting shareholders taking part in the General Shareholders' Meeting;	According to sub-item 11 of item 1 of Article 48 of the Federal Law «On Joint – Stock Companies».
8	Article 12 item 12.2 sub-item 18	18) participation in holding companies , financial and industrial groups, associations and other commercial entities, that shall be voted in favor of it by majority of voting shareholders attending the General Shareholders' Meeting;	18) adoption of a resolution on participation in financial-industrial groups and other associations of commercial organizations that shall be voted in favor of it by majority of voting shareholders attending the General Shareholders' Meeting;	According to sub-item 18 of item 1 of Article 48 of the Federal Law «On Joint – Stock Companies».
9	Article 12 item 12.11	12.11. The List of shareholders entitled to participate in the	12.11. List of shareholders entitled to participate in the General Shareholders'	According to paragraph 3 of item 1 of Article 51 of the

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		<p>General Shareholders' Meeting shall be made on the basis of information contained in the shareholders register of the Company.</p> <p style="padding-left: 40px;">Date of making a list of shareholders entitled to participate in General Shareholders' Meeting (record date) shall not be earlier than the date of adopting resolution on convening the General Shareholders' Meeting, earlier than 45 days and later than 50 days before the date of the General Shareholders' Meeting.</p> <p style="padding-left: 40px;">Date of making a list of shareholders entitled to participate in the Extraordinary General Shareholders' Meeting with election of the Board of Directors included in the agenda shall not be earlier than the date of adopting resolution on convening the Extraordinary General Shareholders' Meeting, later than 65 days and later than</p>	<p>Meeting shall be made on the basis of information contained in the shareholders register of the Company.</p> <p>Date of making a list of shareholders entitled to participate in General Shareholders' Meeting (record date) shall be no earlier than the date of adopting resolution on convening the General Shareholders' Meeting, no earlier than 50 days and no later than 35 days before the date of the General Shareholders' Meeting.</p> <p>If the proposed agenda of an Extraordinary General Shareholders' Meeting contains the issue dealing with the election of members to the Board of Directors, date of making a list of shareholders entitled to participate in the Extraordinary General Shareholders' Meeting shall be no earlier than the date of adopting resolution to hold the Extraordinary General Shareholders' Meeting, no earlier than 65 days and no later than the date of notification on the Extraordinary General Shareholders' Meeting;</p>	<p>Federal Law «On Joint – Stock Companies».</p>

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		the date of notification on the Extraordinary General Shareholders' Meeting.		
10	Article 12 item 12.11	<p>12.12. The notice of convening of the General Shareholders Meeting shall be sent to each person on the list of persons authorized to attend the General Shareholders meeting by a registered letter, or handed to each of such persons against his/her signature, or published in the newspaper "Rossiyskaya Gazeta".</p> <p>12.12. Notification on conduction of a General Shareholders' Meeting shall be made no later than 20 days prior to the date of the General Shareholders' Meeting. Should the proposed agenda of the General Shareholders' Meeting include the issue on reorganization, notification on its conduction shall be made no later than 30 days before the</p>	<p>12.12. Notification on conduction of a General Shareholders' Meeting shall be made no later than 30 days prior to the date of the General Shareholders' Meeting except when an Extraordinary General Shareholders' Meeting shall be held within 40 days from the date of submission of a request to call an Extraordinary General Shareholders' Meeting (from the moment of adopting a resolution to call an Extraordinary General Shareholders' Meeting) and Notification on conduction of the Extraordinary General Shareholders' Meeting shall be made no later than 20 days prior to its date.</p> <p>Within the stated time, notice of the General Shareholders Meeting shall be sent to each person specified in the list of persons entitled to attend the General Shareholders' Meeting by registered letter or be delivered personally to such persons against a signature of receipt, or published in the newspaper "Rossiyskaya Gazeta".</p>	According to paragraph 2 of item 1 of Article 52 of the Federal Law «On Joint – Stock Companies».

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		<p>meeting.</p> <p>Should the proposed agenda of the Extraordinary General Shareholders' Meeting include the issue on election of the Company Board of Directors, notification of the Extraordinary General Shareholders' Meeting shall be made not later than 50 (fifty) days before the meeting.</p> <p>Within the stated time the notice of convening of the General Shareholders Meeting shall be sent to each person on the list of persons authorized to attend the General Shareholders meeting by a registered letter, or handed to each of such persons against his/her signature, or published in the newspaper "Rossiyskaya Gazeta".</p>		
11	Article 13 item 13.4 sub-item 11	11) approving resolutions on securities' issue, the emissions' prospects and reports on the results of the Company's securities' issue, quarterly reports	11) approving decisions on securities' issue, offering circulars, reports on the results of shares' acquisition by the Company for the purpose of their redemption, reports on the results of	According to item 3 of Article 12 and item 4 of Article 76 of the Federal Law «On Joint –Stock Companies» as well as

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		of the emissive securities' Issuer as well as reports on the results of repurchase of the Company shares for their redemption approval of resolutions on issue of securities, security issue prospectus, reports on the results of issuance of the Company's securities, reports on the results of purchasing the Company's shares for the purpose of their redemption;	shares' redemption, reports on the results of making demands by shareholders to buy out shares owned by them;	item 2.6.2 of the Standards of the securities issue and registration of the Securities Offering Circulars approved by Order of the RF FFMS № 05-4/pz-n of March 16,2005.
12	Article 13 item 13.4 sub-item 14	14) recommendations on size, form and time of dividend payment, approval of internal document on the Company's dividends;	14) recommendations on distribution of profits , including on size and procedure of dividend payment, and losses of the Company on the basis of results of the financial year	According to item 3.2 of the Provisions on additional requirements to the procedure of preparation, convening and conducting of a General Shareholders' Meeting approved by Decree of the RF FCSM № 17/ps of May 31,2002.
13	Sub-item 18 of item 13.4 of Article 13	18)approval of the Provisions on structural subdivision of the Company performing the functions of internal control as well as consideration of other issues, decisions on which shall be taken by the Board of Directors in accordance with the Provisions on	18) approval of the Provisions on the Internal Audit Department and consideration of other matters, decisions on which shall be taken by the Board of Directors in accordance with such Provisions;	

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		the indicated subdivision;		
14	Article 13 item 13.4 sub-item 19	19) approval of transactions related to purchase, alienation or possible alienation by the Company, directly or indirectly, of property, the value whereof ranges from 0.5 to 25 percent of the book value of the Company's assets as of the latest reporting date determined from its accounting data;	19) prior approval of a single transaction or a number of related transactions dealing with purchase, disposal or possible disposal by the Company, directly or indirectly, of its assets, the value whereof ranges from 1 to 25 percent of the book value of the Company's assets as of the latest reporting date determined from its accounting data	Fresh wording so that related transactions may be examined within the specified limits. The bottom limit of the book value of the assets being a subject of a transaction has been increased.
15	Sub-item 24 of item 13.4 of Article 13	24) preliminary agreement on the candidates to the posts of directors of branches, representative offices, structural subdivision of the Company performing internal control functions and relieving the indicated directors of their posts at the Company's initiative	24) prior approval of the candidates to the posts of directors of branches, representative offices, Internal Audit Department and relieving the indicated directors of their posts at the Company's initiative	The fresh wording has been proposed by the member of the Board of Directors Yenin E.P. in order to name the structural subdivision of the Company performing internal control functions.
16	Article 13 item 13.4 sub-item 25	25) approval of annual budgets, development strategies and programs, making changes in the indicated documents, consideration of the results of their implementation	To be deleted.	There is no need in this standard.
17	Article 13 item 13.4 sub-item 26	26) nomination of the Company's individual executive body (General Director), determination of his term of office and early termination of his powers;	26) election of the Company's individual executive body (General Director), determination of his term of office, as well as early termination of his powers and the Employment Agreement concluded with	According to item 2 of Article 278 of the Labour Code of the Russian Federation

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			him;	2) if the authorized body of a legal entity, or the owner of the company's assets, or the person (body) authorized by the owner took a decision to terminate the Employment Agreement.
18	Sub-item 33 of item 13.4 of Article 13	33) approval of the terms of contracts (additional agreements), concluded with the General Director, members of the Management Board, directors of branches and representative offices, head of the Company's separate division executing functions of internal control, Corporate Secretary; as well as consideration of matters, the resolutions on which shall be taken by the Board of Directors in accordance with the abovementioned contracts;	33) approval of the terms of the contracts (additional agreements), concluded with the General Director, members of the Management Board, directors of branches and representative offices, head of the Internal Audit Department , Corporate Secretary of the Company as well as consideration of matters, resolutions on which shall be taken by the Board of Directors in accordance with the abovementioned contracts;	The fresh wording has been proposed by the member of the Board of Directors Yenin E.P. in order to name the structural subdivision of the Company performing internal control functions.
19	Article 13 item 13.4 sub-item 34	34) taking decisions on participation (joining as a participant, termination of participation, change in the participation share) of the Company in other organizations by	34) taking decisions on participation of the Company in other commercial organizations (joining as a participant, termination of participation, change in participating share , change in the nominal value of participating share,	More precise wording. Types of participation in other commercial organizations, listed in the current version, do not explain all listed cases of

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		buying, selling shares, shares of other organizations as well as by making additional contributions to the authorized capital of these organizations;	change in number of shares or nominal value of shares owned by the Company);	participation (for example, change in nominal value of shares).
20	Article 13 item 13.4 sub-item 36	36) taking decisions on items of the agenda of the General Meetings of subsidiaries (supreme governing bodies of other organizations), of which the Company is the sole participant;	36) making proposals (including nominating candidates to the governing and supervising bodies) and taking decisions on issues being within the terms of reference of General Shareholders' Meetings of commercial organizations, of which the Company is the sole participant entitled to vote at General Shareholders' Meetings;	The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder owning no less than 2 percent of the Company's voting shares.
21	Article 13 item 13.4 sub-item 37	37) determination of the procedure of the Company's interaction with organizations in which the Company is a shareholder	37) approval of the internal document (documents) setting the procedure of holding a contest for selection of the Company's Auditor to be recommended by the Board of Directors to the General Shareholders' Meeting for approval;	There is no need in current wording. New wording of the sub-item 37 has been proposed to specify the terms of reference of the Board of Directors more precisely.
22	Article 13 item 13.4 sub-item 37	37) determination of the procedure of the Company's interaction with organizations in which the Company is a shareholder	37) approval of the procedure of the Company's interaction with organizations in which the Company is a shareholder, adopting resolutions in accordance with the set procedure.	The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder owning no less than 2 percent of the

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
				Company's voting shares.
23	Article 13 item 13.4	Missed	<p>Sub-items 38-46 of Item 13.4 of Article 13 shall be considered sub-items 39-47, respectively;</p> <p>38) Determination of the Company's (the Company representatives') position, including instructions on participation in the voting procedure on the agenda items as well as on voting for, against the draft resolutions or abstain from voting on the following agenda items of the General Shareholders' Meetings of the Company's subsidiaries and associates (except when functions of General Shareholders' Meetings of the Company's subsidiaries and associates are exercised by the Company Board of Directors), and meeting of the Board of Directors of the Company's subsidiaries and associates (except for the item on determination of the agenda of General Shareholders' Meetings of the Company's subsidiaries and associates when functions of General Shareholders' Meetings of the Company's subsidiaries and associates are exercised by the Company's Board of Directors), for the purpose of the Company's control over realization of the decisions adopted by the Company's subsidiaries and associates</p>	<p>The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder owning no less than 2 percent of the Company's voting shares.</p>

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
			<p>with respect to the Company's subsidiaries and associates:</p> <ul style="list-style-type: none"> a) determination of the agenda of General Shareholders' Meetings of the Company's subsidiaries and associates; b) reorganization and liquidation of the Company's subsidiaries and associates; в) definition of numerical structure of Board of Directors of the Company's subsidiaries and associates, nomination and election of their members and early termination of their powers; c) determination of number, nominal value, category (type) of declared shares of the Company's subsidiaries and associates as well as the rights granted by them to their holders; d) increase of authorized capitals of the Company's subsidiaries and associates by increasing the shares' nominal value or by placing additional shares; e) floatation of securities of the Company's subsidiaries and associates convertible into ordinary shares; f) split-up and consolidation of shares of the Company's subsidiaries and 	

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
			<p>associates;</p> <p>g) approval of major transactions effected by the Company's subsidiaries and associates;</p> <p>h) participation of the Company's subsidiaries and associates in other organizations (joining the existing organization as a participant or creation of a new organization)</p>	
24	Article 14 item 14.4 sub-item 5	<p>5)Preparing materials and draft resolutions on the matters to be considered by the Company's Board of Directors, except for the issues specified in paragraphs 24, 26, 27, 28, 31, 32, 33 of item 13.4 of Article 13 of this Charter and those submitted for consideration in accordance with the legislation of the Russian Federation and the Company Charter with indication of the fixed time of their consideration by the Board of Directors making impossible their preliminary examination by the Company's Management Board;</p> <p>preparation of materials to be considered by the Committees of the Board of Directors;</p>	<p>5) Preparation of materials and draft resolutions on the issues to be considered by the Company's Board of Directors, except for those specified in paragraphs 24, 26, 27, 28, 31, 32, 33 of item 13.4 of Article 13 hereof and those initiated in compliance with the legislation of the Russian Federation and the Company's Charter with indication of the fixed time for their consideration by the Board of Directors making impossible their prior examination by the Company's Management Board;</p> <p>preparation of materials to be considered by the Committees of the Board of Directors, except for the materials to be prepared by the Internal Audit Department for the Audit Committee of the Board of Directors so</p>	<p>The fresh wording has been proposed by the member of the Board of Directors Yenin E.P.</p>

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
			that the Audit Committee can estimate the Company's internal control procedures and give recommendations on their improvement;	
25	Article 14 item 14.4 sub-item 15	15) approving quarterly budgets of the branches, making changes to the indicated documents;	15) preliminary consideration of the branches' budgets and reports on their implementation	There is no need in this provision.
26	Article 14 item 14.7 paragraph 3	The Company's General Director shall sign the contract on behalf of the Company.	To be deleted.	According to paragraph 2 of item 3 of Article 69 of the Federal Law «On Joint – Stock Companies».
27	Article 15 item 15.4 paragraph 2	Rights and duties, labor remuneration, and responsibilities of the General Director shall be defined in a contract to be signed between the General Director and the Company. On behalf of the Company the contract shall be signed by the Chairman of the Board of Directors.	Rights, duties, remuneration size, and responsibilities of the General Director shall be defined in the Agreement to be concluded between the General Director and the Company. The Agreement shall be concluded for a term of the General Director's office determined by the Company's Board of Directors.	According to Article 275 of the Labour Code of the Russian Federation and to paragraph 2 of item 3 of Article 69 of the Federal Law «On Joint –Stock Companies».
28	Article 17 item 17.1	17.1. For exercising control over the financial and economic activity the Auditing Commission shall be set up at the Company, a special structural subdivision performing the internal control functions, and an independent auditor shall also be engaged.	17.1.To exercise control over financial and economic operations, the Company shall form the Auditing Commission, the Internal Audit Department and shall engage an independent auditor.	The fresh wording has been proposed by the member of the Board of Directors Yenin E.P. in order to name the structural subdivision of the Company performing internal control functions.
29	Article 17	17.3. In order to ensure	17.3. The Company shall set up a special	The fresh wording has

№	Section of the Charter	Current wording	Proposed wording	Grounds for introduction of amendment and additions
	item 17.3	<p>constant internal control over the procedure of accomplishing all the economic operations at the Company a special structural subdivision, independent of the Company's executive bodies, shall be set up, the activity of which shall be controlled directly by the Board of Directors of the Company.</p> <p>Functions of the indicated structural subdivision, the procedure of its activity, the procedure of nominating the employees, the requirements to them shall be determined by the internal document approved by the Board of Directors of the Company.</p>	<p>structural subdivision, independent of the Company's executive bodies, Internal Audit Department, the activity of which shall be controlled directly by the Board of Directors.</p> <p>Functions of the indicated structural subdivision, its operation, procedure of appointment of its workers and their responsibilities shall be determined in the internal document approved by the Company's Board of Directors</p>	<p>been proposed by the member of the Board of Directors Yenin E.P. in order to specify the functions of the Company's Internal Audit Department.</p>

7. On the agenda item of the Annual General Shareholders' Meeting: **Introduction of amendments and additions to the Company's Regulations on the procedure for conducting a General Shareholders' Meeting.**

In order to improve the Company's corporate governance practices, the Board of Directors recommends to the Annual General Shareholders' Meeting to introduce the following amendments and additions into the Company's Regulations on the procedure for holding a General Shareholders' Meeting:

№	Section of the Regulations	Current wording	Proposed wording	Grounds for introduction of amendment and additions
1	item 4.1	<p>4.1. Notice of the General Shareholders' Meeting shall be given not later than 30 days before its opening.</p> <p>Should the proposed agenda of the Extraordinary General Shareholders' Meeting include the issue on election of the Company Board of Directors, notification of the Extraordinary General Shareholders' Meeting shall be made not later than 50 (fifty) days before the meeting.</p> <p>Should an Extraordinary General Shareholders' Meeting be convened upon request of the Company's Auditing Commission, Auditor as well as of any shareholder or group of shareholders owning at least 10 percent of the Company's voting shares, notice of the Extraordinary General Shareholders' Meeting should be given not later than 20 days before its opening.</p> <p>Notification of the General</p>	<p>4.1. Notification on conduction of a General Shareholders' Meeting shall be made no later than 30 days prior to the date of the General Shareholders' Meeting except when an Extraordinary General Shareholders' Meeting shall be held within 40 days from the date of submission of a request to call an Extraordinary General Shareholders' Meeting (from the moment of adopting a resolution to call an Extraordinary General Shareholders' Meeting) and Notification on conduction of the Extraordinary General Shareholders' Meeting shall be made no later than 20 days prior to its date.</p> <p>Within the stated time, notice of the General Shareholders Meeting shall be sent to each person specified in the list of persons entitled to attend the General Shareholders' Meeting by registered letter or be delivered personally to such persons against a signature of receipt, or published in the newspaper "Rossiyskaya Gazeta</p>	<p>According to paragraph 2 of item 1 of Article 52 of the Federal Law «On Joint –Stock Companies».</p>

№	Section of the Regulations	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		Shareholders' Meeting shall be made in the form prescribed by the active law of the Russian Federation and the Company Charter and according to the procedure established by the Board of Directors of the Company.		

8. On the agenda item of the annual General Shareholders' Meeting: **Introduction of amendments and additions to the Company's Statute on the Board of Directors.**

On March 5, 2007 the Board of Directors considered the shareholders' proposal on including the item "Introduction of amendments and additions to the Company's Statute on the Board of Directors" in the agenda of the Annual General Shareholders' Meeting and declared it valid (Minutes № 27). In order to improve the Company's corporate governance practices and to comply with the effective legislation, the Board of Directors recommends to the Annual General Shareholders' Meeting to introduce the following amendments and additions into the Statute on the Board of Directors of "Southern Telecommunications Company" PJSC:

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
1	Article 3 item 3.1 sub-item 3.1 .1	3.1.1. to require any information on the Company's activity from the Company officials including documents provided for by Article 89 of the Federal Law "On Joint Stock	3.1.1. to require in written form both available to the general public and insider information (documents) from the Company's officials in accordance with the procedure set	Making the wording more precise to regulate the procedure for presenting the Company's information (documents).

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		Companies” in accordance with the procedure set herein;	by the Company’s by-laws	
2	Article 3 item 3.1 sub-item 3.1 .2	3.1.2. to get remuneration and compensation of expenses related to execution of their functions of a member of the Board of Directors in cases and in amount provided for hereby;	3.1.2. to get compensation of expenses related to execution of their functions as members of the Board of Directors in accordance with the procedure set herein. If the current legislation of the Russian Federation does not impose a ban on their participation in the governing body of a commercial organization on a paid basis, to get remuneration for execution of their functions of members of the Board of Directors in accordance with the procedure set herein, or to execute their functions of members of the Board of Directors on a gratis basis	Making the wording more precise to regulate the procedure of remuneration payment.
3	Article 3 item 3.2.5	3.2.5. Members of the Board of Directors are obliged to initiate meetings of the Board of Directors for considering urgent matters;	3.2.5. Members of the Board of Directors are obliged to initiate meetings of the Board of Directors for considering urgent matters and have the right to include additional items into the agenda of these meetings;	The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder owning no less than 2 percent of the Company’s voting shares.
4	Article item 3.2 sub-item 3.2	3.2.11. to notify the Board of Directors in writing of the fact of ownership of the Company’s shares, the intention	3.2. 10. to notify the Board of Directors in writing of the fact of ownership of the Company’s securities, of their intention	Regulating the procedure of remuneration payment, Editorial correction.

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
	.11	to enter into transactions with securities of the Company or its subsidiary and controlled companies as well as of previous transactions with such securities.	<p>to enter into transactions with the securities of the Company or its subsidiaries and affiliates as well as of the effected transactions with such securities.</p> <p>3.2.11. to notify the Company in writing of the fact that the current legislation of the Russian Federation imposes (lifts) a ban on their participation in the governing body of a commercial organization on a paid basis;</p> <p>3.2.12. to notify the Company in writing of their intention to exercise the functions of members of the Board of Directors on a gratis basis.</p>	
5	Article 3 item 3.4	<p>3.4. At the request of a member of the Board of Directors expressed orally or in writing the Company shall be obliged to provide him an unlimited access to information and materials stipulated by paragraph 3.1.1. hereof. The required information and materials shall be presented for familiarization to a member of the Board of Directors within 5 (five) days after filing the corresponding request.</p> <p>At the request of a member of the Board of Directors the Company</p>	<p>3.4. At the written request of a member of the Board of Directors the Company shall be obliged to provide him an unlimited access to information (documents) mentioned in sub-item 3.1.1. hereof.</p> <p>The required information and documents shall be presented for familiarization to a member of the Board of Directors within five days after filing the corresponding request, provided other period is not prescribed by the Company's</p>	Making the wording more precise to regulate the procedure for presenting the Company's information (documents)

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		shall be obliged to give him the copies of all required documents.	<p>internal documents regulating the procedure for giving such information (documents).</p> <p>At the request of a member of the Board of Directors the Company shall be obliged to give him the copies of all required documents.</p>	
6	Article 6 item 6.3	6.3. Meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors on his own initiative, upon the request of a member of the Board of Directors, Auditing Commission, the Company Auditor, individual or collegiate executive body as well as by request of a shareholder (shareholders) owning in the aggregate 5 (five) or more percent of the Company's voting shares.	<p>6.3. Meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors on his own initiative, upon the request of a member of the Board of Directors, the Auditing Commission, the Company's Auditor, individual or collegiate executive body as well as by request of a shareholder (shareholders) owning in the aggregate 5 (five) or more percent of the Company's voting shares.</p> <p>The agenda of a meeting shall be determined by the Chairman of the Board of Directors taking into consideration the approved Plan of work of the Board of Directors and the received requests of the persons listed in the first paragraph herein.</p>	Making the procedure of determining agenda of the Board of Directors' meetings more precise.
7	Article 6 item 6.5	6.5. Notice of the Board of Directors' meeting shall be sent to each member of the Board of Directors together with all necessary materials not later than 14 business days prior to the date of	6.5. Notice of the Board of Directors' meeting shall be sent to each member of the Board of Directors together with all necessary materials not later than 14 business days prior to the date of	The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		the meeting.	<p>the meeting.</p> <p>The above time limits can be reduced if it is necessary to urgently resolve any matters, provided none of the members of the Board of Directors objects. Should, in accordance with the current legislation, the meeting of the Board of Directors be convened within a tighter time schedule, the time period for sending notification and all necessary materials shall be shortened.</p> <p>Notice of the meeting of the Board of Directors shall be forwarded to the members of the Board of Directors in written form or in other suitable for them form (including by post, cable, telex, telephone, e-mail or other). Notice of the meeting of the Board of Directors shall contain information specified in sub-items 6.4.3.-6.4.8. herein and the address, at which the members of the Board of Directors can send their written opinions.</p> <p>The bodies and persons entitled to request convening of a session of the Board of Directors may include additional items into the agenda of</p>	owning no less than 2 percent of the Company's voting shares.

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
			<p>the session, provided none of the members of the Board of Directors objects. The proposal to include an additional item into the agenda of the meeting to be held shall be submitted in written form and shall contain the wording of such agenda item as well as the information specified in sub-items 6.4.1, 6.4.2, 6.4.6 hereof.</p> <p>The bodies and persons, at whose request the meeting is convened (the additional item is included into the agenda of the meeting), are entitled to withdraw in writing their proposal at any time till the moment of summing up voting results on the proposed agenda items.</p> <p>Should the circumstances arise making it impossible or difficult to hold the meetings of the Board of Directors in place and (or) in time, of which the members of the Board of Directors have been notified, the meeting with the planned agenda shall be held in a different place and (or) at a different time.</p> <p>All members of the Board of Directors shall be informed about</p>	

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
			<p>the changes in the venue and (or) time of the meeting of the Board of Directors taking into account the time that is normally required for the members of the Board of Directors to arrive at the meeting. Notification of the said changes shall be sent to the members of the Board of Directors in any form guaranteeing that a member of the Board of Directors will receive the notification at his place of business or at the address to which he receives his mail.</p> <p>All members of the Board of Directors shall be informed about the changes in the agenda of the meeting in order established for notification on the meeting.</p> <p>The first (organizational) meeting of the Board of Directors shall be held without prior notification on the date of the General Shareholders' Meeting at which the Board of Directors has been elected (if the resolution on the election of the members of the Board of Directors as well as the voting results on it have been announced at the General Meeting of the</p>	

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
			Shareholders, in the course of which the voting was held)	
8	Article 6 item 6.8	<p>6.8. The Chairman of the meeting shall be obliged to read out the written opinion of the member of the Board of Directors not attending the meeting of the Board of Directors before starting the voting on the agenda item on which this opinion was presented.</p> <p>Should the submitted written opinion contain a proposal of draft resolution differing substantially from that initially put to the vote, the Corporate Secretary shall before drawing-up the minutes acquaint other members of the Board of Directors with the said opinion, proposing to express their views on it by voting, in writing or other way convenient for them (including by post, cable, telex, telephone, e-mail or otherwise).</p>	<p>6.8. The Chairman of the meeting held in the form of personal attendance shall be obliged to read out the written opinion of a member of the Board of Directors not attending the meeting of the Board of Directors prior to voting on the agenda item on which this opinion has been presented.</p> <p>Should the submitted written opinion (of a member of the Board of Directors not attending the meeting of the Board of Directors held in the form of personal attendance as well as at absentee voting) contain a proposal of the draft resolution differing substantially from that initially put to the vote, each member of the Board of Directors shall express his/her opinion on it by voting before drawing-up the minutes of the meeting.</p>	<p>The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint – Stock Companies» by a shareholder owning no less than 2 percent of the Company’s voting shares.</p>
9	Article 6 item 6.11	<p>6.11. Minutes shall be kept at the meeting of the Board of Directors.</p> <p>The minutes of the Board of Directors shall be drawn up not later</p>	<p>6.11. Minutes shall be kept at the meeting of the Board of Directors. The Minutes of the Board of Directors shall be drawn up no later than 3 (three) days after holding the meeting in the</p>	<p>The amendments have been proposed in accordance with item 1 of Article 53 of the Federal Law «On Joint –Stock Companies» by a shareholder</p>

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		<p>than 3 (three) days after holding the meeting in the form of joint personal presence (the cut-off date of receiving written opinions in case of absentee voting).</p> <p>The Minutes of the meeting shall include:</p> <ul style="list-style-type: none"> • Venue and time of the meeting held in the form of joint personal presence or, in case of absentee voting, place of drawing up minutes and the cut-off date of receiving written opinions of the members of the Board of Directors; • Names of the persons attending the meeting (if the meeting is held in the form of joint personal presence); • Names of the persons having submitted their written opinions on the agenda issues; • Agenda of the meeting; • Issues put forward to voting and the voting results; • Adopted resolutions. 	<p>form of personal attendance (the deadline for receiving written opinions in case of absentee voting).</p> <p>The Minutes of the meeting shall include:</p> <ul style="list-style-type: none"> • Names of the persons attending the meeting (if the meeting is held in the form of personal attendance); • Names of the persons who submitted their written opinions on the agenda issues; • Agenda of the meeting; • Draft resolutions on the agenda items put to voting and voting results; • Adopted resolutions. <p>The Minutes of the Board of Directors meeting shall be signed by the Chairman of the meeting and the Corporate Secretary of the Company.</p> <p>Copies of the signed Minutes shall be sent to all members of the Board of Directors within three days after the date of signature.</p>	<p>owning no less than 2 percent of the Company's voting shares.</p>

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		<p>The Minutes of the Board of Directors meeting shall be signed by the Chairman of the meeting and the Corporate Secretary of the Company.</p>		
10	Article 7 item 7.1	<p>7.1. Members of the Board of Directors of the Company shall receive remuneration related to discharge of their duties as the members of the Board of Directors.</p> <p>The Company shall bear other expenses associated with the work of the Board of Directors. Among other, the Company shall compensate documented expenses incurred by the members of the Board of Directors in connection with discharge of their duties.</p>	<p>7.1. The Company shall bear expenses associated with the work of the Board of Directors. Among other the Company shall compensate documented expenses incurred by the members of the Board of Directors in connection with discharge of their duties.</p> <p>Member of the Company's Board of Directors working on a paid basis shall receive remuneration for performing his/her duties as well as bonuses specified in item 7.7 hereof.</p>	<p>Making the procedure of calculation of the remuneration payable to the members of the Board of Directors more precise.</p>
11	Article 7 item 7.2	<p>7.2. Remuneration to the members of the Board of Directors shall comprise quarterly and annual remunerations.</p>	<p>.2. Remuneration to a member of the Board of Directors shall comprise quarterly and annual remunerations</p>	<p>Making the wording more precise.</p>
12	Article 7 item 7.3	<p>7.3. Quarterly remuneration to each member of the Board of Directors shall be established in the amount of 200, 000 rubles.</p> <p>Remuneration to the Chairman of the Board of Directors shall be set with a</p>	<p>7.3. Quarterly remuneration to a member of the Board of Directors shall be established in the amount of 200, 000 rubles.</p> <p>Remuneration to the Chairman of the Board of Directors shall be set with a</p>	<p>Making the procedure of calculation of the remuneration payable to the members of the Board of Directors more precise.</p>

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		<p>raising coefficient 1.5. Remuneration to a member of the Board of Directors shall be cut down by:</p> <p>30 percent – in case of his attendance at less than a half of the Board of Directors meetings held in the form of joint personal presence;</p> <p>100 percent – in case of his attendance at less than a half of the held Board of Directors meetings.</p> <p>Remuneration for the quarter, in which re-election of the Board of Directors was held, shall be paid to the members of the Board of Directors in proportion to the hours worked during the quarter.</p>	<p>raising coefficient 1.5.</p> <p>Quarterly remuneration to a member of the Board of Directors shall be cut down by:</p> <p>30 percent – in case of his attendance at less than a half of the Board of Directors meetings held in the form of personal attendance;</p> <p>100 percent – in case of his participation in less than a half of all Board of Directors meetings being held.</p> <p>If the personal structure of the Board of Directors and-or the conditions of performing the duties by a member of the Board of Directors (paid / gratis basis) have changed during the quarter, quarterly remuneration shall be calculated and paid in proportion to the hours worked by the member of the Board of Directors on a paid basis</p>	
13	Article 7 item 7.4	<p>7.4. The annual remuneration for the entire body of the Board of Directors of the Company shall be rated as a sum of:</p> <p>percentage of the Company's</p>	<p>7.4. The annual remuneration for the entire body of the Board of Directors of the Company shall be rated as a sum total of deductions according to standards (percentage):</p>	<p>Making the procedure of calculation of the remuneration payable to the members of the Board of Directors more precise.</p>

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
		<p>EBITDA for the reported year as per the Company's financial statements in accordance with IFRS;</p> <p>percentage of the Company's net profit allocated to dividend payment according to the financial results of the reporting year;</p> <p>The annual remuneration shall be distributed among all the directors by equal shares.</p> <p>The annual remuneration to a member of the Board of Directors shall be reduced by 50 percent, should he attend less than a half of the Board of Directors meetings held during his term of office.</p>	<p>from the Company's EBITDA for the reported year based on the Company's financial statements for the reported year compiled in accordance with IFRS;</p> <p>from the Company's net profit allocated to dividend payment based on the financial results of the reporting year;</p> <p>Annual remuneration for one member of the Board of Directors shall be determined as the amount calculated according to paragraphs 1 - 3 herein divided by the number of persons elected to the Board of Directors.</p> <p>If the personal structure of the Board of Directors and-or the conditions of performing the duties by a member of the Board of Directors (paid / gratis basis) have changed during the period from election of the Board of Directors by the Annual General Shareholders' Meeting till the next Annual General Shareholders' Meeting, annual remuneration shall be calculated and paid in proportion to the hours worked by the member of the Board</p>	

№	Section of the Statute	Current wording	Proposed wording	Grounds for introduction of amendment and additions
			<p>of Directors on a paid basis;</p> <p>The annual remuneration to a member of the Board of Directors calculated according to the fourth and fifth paragraphs herein shall be reduced by 50 percent, should he/she attend less than a half of the Board of Directors meetings held during his/her term of office.</p>	
14	Article 7 item 7.5	7.5. Percent of deductions for calculation of the annual remuneration shall be determined by the resolution of the General Shareholders' Meeting electing the current membership of the Board of Directors.	7.5. The standard (percentage) of deductions for calculation of the annual remuneration shall be fixed by the resolution of the Annual General Shareholders' Meeting and used for calculation of the remuneration amount to be paid to the persons performing the duties of the members of the Board of Directors till the next Annual General Shareholders' Meeting	Making the wording more precise
15	Article 7 item 7.9	Absent	7.9. Members of the Board of Directors shall have the right to participate in option programs realized by the Company.	According to the advanced corporate governance practices

9. On the agenda item of the Annual General Shareholders' Meeting: **Reorganization of "Southern Telecommunications Company" PJSC through merger of OJSC "Kuzminov Stavtelecom" into it. Approval of the Agreement of merger.**

Pursuant to sub-item 2 of item 12.2 of Article 12 of the Charter of "Southern Telecommunications Company" PJSC and Article 48 of the Federal Law «On Joint –Stock Companies», adoption of the decision on reorganization and approval of the agreement fall within the terms of reference of the Company's General Shareholders' Meeting.

According to item 12.3 of Article 12 of the Charter of "Southern Telecommunications Company" PJSC, the General Shareholders' Meeting is entitled to adopt the resolution on reorganization exclusively when presented by the Board of Directors of "UTK" PJSC.

Shareholder materials for the Annual General Shareholders' Meeting include Memorandum and Letter on reorganization of "UTK" PJSC through merger of OJSC «Kuzminov Stavtelecom» into it as a ground for conditions and procedures of the Company's reorganization contained in the Agreement of merger. In addition, shareholder materials include annual reports and annual financial statements of "Southern Telecommunications Company" PJSC and OJSC «Kuzminov Stavtelecom» for three completed fiscal years, preceding the date of the Annual General Shareholders' Meeting, quarterly accounts for the last completed quarter preceding the date of the Annual General Shareholders' Meeting.

Based on the specified materials the Board of Directors of "UTK" PJSC recommends to the General Shareholders' Meeting to adopt the following decision: To reorganize " Southern Telecommunications Company " PJSC through merger of OJSC " Kuzminov Stavtelecom " into it. To approve the Agreement of merger“.

Board of Directors of “UTK” PJSC