

APPROVED BY
THE GENERAL MEETING OF SHAREHOLDERS
SISTEMA, JSFC
(PROTOCOL No. __ DATED ____ 2008)

(CHAIRMAN OF THE GENERAL MEETING OF
SHAREHOLDERS)

AN OPEN JOINT-STOCK COMPANY
Joint-Stock Financial Corporation
Sistema

STATUTE
ON THE MANAGEMENT BOARD OF THE
COMPANY

(VERSION No. __)

MOSCOW
2008

1. General Provisions

1.1. The Management Board of Sistema, a joint-stock financial corporation (an open joint-stock company) (hereinafter: the “Management Board” and the “Company”, respectively), shall be a collegiate executive management organ of the Company.

This Statute sets out a procedure for forming the Management Board, the rights and obligations of members of the Management Board, a procedure for planning, preparing, convening and holding meetings of the Management Board, a procedure for adopting decisions and rules for formalizing decisions and for exercising control over their performance, a procedure for keeping and presenting protocols / minutes (excerpts from protocols) of the meetings of the Management Board.

This Statute is drawn up in accordance with the Civil Code of the Russian Federation, the Federal Law On Joint-Stock Companies, and the Charter of the Company.

1.2. The Management Board shall be guided in its activity by existing laws, the Charter of the Company and this Statute.

1.3. The Management Board shall report to, and be controlled by, the Board of Directors and the General Shareholders' Meeting of the Company.

The Management Board shall be fully liable to the shareholders within its competence for the effective implementation of the Company's production, financial-and-business, scientific-and-technical, personnel and social policies.

2. Composition of, and Procedure for, Forming the Management Board

2.1. The quantitative and personnel-wise composition of the Management Board shall be approved by the Board of Directors on the suggestion of the President. The Management Board shall be chaired by the President of the Company. Members of the Management Board shall be approved by the Board of Directors for a period of three years. Members of the Management Board may be re-elected any number of times.

2.2. The Company shall provide its shareholders and all other interested parties with access to information on the personnel composition of the Management Board, on the positions held by members of the Management Board in the Company and other organizations, on the shares in the Company and also in its subsidiary and dependent companies held by members of the Management Board. Such information shall be provided by posting the same on the Company's website on the internet.

2.3. The Board of Directors may at any time adopt a decision on terminating the powers of a specific member of the Management Board or all members of the Management Board, on changes in the quantitative composition of the Management Board, on electing new members of the Management Board.

The Board of Directors must adopt a decision on terminating the powers of a member of the Management Board if so requested in writing by the member.

The powers of members of the Management Board shall arise and terminate starting from the time when a respective decision is taken at a meeting of the Board of Directors.

The termination of the powers of a member of the Management Board associated with the Company in a professional capacity under an employment agreement for the effectuation of other functions shall not be regarded as grounds for the cancellation of the employment agreement.

2.4. The Board of Directors shall determine personnel-wise and qualification requirements applicable to members of the Management Board. A member of the

Management Board shall have higher education, shall be a highly qualified specialist in his or her area, shall have spotless business reputation, shall not have any criminal record with regard to crimes in the area of the economy, crimes against the state and morality.

Members of the Management Board may be drawn from the ranks of the staff of the Company and may also be other persons.

2.5. With any member of the Management Board may be made an agreement setting out additional employment conditions, a procedure for determining the amount of remuneration, conditions for the compensation of expenses associated with the performance of members of the Board of Directors, a procedure for terminating such agreement. Any such employment agreement shall be signed in the name of the Company by the Chairman of the Board of Directors or by a person authorized by the Board of Directors. The Board of Directors shall have the right to terminate at any time any agreement made with a member of the Management Board of the Company. The terms and conditions of any such agreement are approved by the Board of Directors of the Company.

3. Competence of the Management Board. Rights, Obligations and Responsibilities of Members of the Management Board

3.1. The competence of the Management Board shall be set out in the Charter of the Company.

3.2. While performing their duties the members of the Management Board shall have the right to:-

- take part in the meetings of the Management Board, freely express their opinion, vote on all issues on the agenda, demand that their minority opinion be attached to the minutes of any meeting of the Board of Directors;
- request and receive from the Company's structural units all documents and information on the activity of the Company on all matters relegated to the competence of the Management Board;
- make proposals for inclusion into the agenda of the meetings of the Board of Directors, demand the holding of extra-ordinary meetings;

3.3. Members of the Management Board shall:

- implement decisions adopted by the general meeting of shareholders, the Board of Directors and the Management Board of the Company;
- act in the interests of the Company, use their rights and perform their obligations with respect to the Company in good faith and reasonably;
- ensure the confidentiality of any information which becomes known to a member of the Management Board in the performance of his or her duties;
- not use insider information for personal purposes, not transfer insider information to third parties, not enter into transactions based on the use of insider information;
- members of the Management Board shall inform the Board of Directors of the Company on the number of securities in the Company, in its subsidiary and dependent companies held by him or her and on his or her intention to make transactions with the shares of the Company or of its subsidiary and dependent companies and also on the fact of acquiring (alienating) such shares;
- familiarize themselves with the contents of internal normative documents of the Company and comply with the requirements of such documents;
- inform the Chairman of the Management Board on legal entities in which they possess autonomously or jointly with their affiliated person(s) 20% or more of the voting shares (or participatory shares, shares); legal entities in whose management organs they hold office and also on transactions known to them to

be concluded or proposed in which they may be deemed to be interested persons.

3.4. A member of the Management Board must not accept gifts or receive other direct or indirect benefits whose goal is to influence decisions adopted by the Management Board.

3.5. Members of the Management Board of the Company shall be liable before the Company for all losses and damages caused to the latter by their faulty actions (instances of inaction), unless other reasons for liability and amounts thereof are stipulated in the laws of the Russian Federation.

However members of the Management Board who voted against a decision which caused any losses or damage to the Company or who did not take part in such voting shall not be liable.

3.6. Members of the Management Board shall operate within their competence as set out for them in the Charter of the Company, the internal documents of the Company, decisions of general shareholder's meetings, by the Board of Directors and/or shall operate based on powers of attorney issued by the President of the Company.

3.7. The Company shall have the right to adopt a decision on insuring the professional liability of members of the Management Board.

4. Chairman and Secretary of the Management Board

4.1. The President of the Company shall be the Chairman of the Management Board. The Chairman of the Management of the Board shall organize the operation of the Management Board and shall report to the Board of Directors on the results of its work.

4.2. A deputy chairman of the Management Board shall be appointed by the Management Board out of the members of the Management Board upon nomination by the Chairman of the Management Board.

In the absence of the Chairman his duties shall be performed by the deputy chairman of the Management Board.

4.3. On the suggestion of its Chairman, the Management Board shall appoint a secretary of the Management Board. The Management Board shall have the right to terminate the powers of the secretary of the Management Board at any time and to appoint a new secretary.

The Secretary of the Management Board shall:-

- send to members of the Board of Directors notices on forthcoming meetings and also materials on agenda items;
- provide organizational and technical support in connection with holding meetings of the Management Board.
- keep the minutes of meetings, prepare excerpts from such minutes;
- ensure that the original minutes and materials are transferred to the Unified Documentary and Information Foundation of the Company;
- keep the electronic copies of minutes of meetings and other materials associated therewith;
- on the instructions of the Chairman, gather information on the implementation of the Management Board's decisions and shall report to the Management Board on the implementation of past decisions.

4.4. The Secretary shall ask for any required information and documents from the Company's structural units on matters entered into the agenda of the Management Board.

5. Planning Management Board Work

5.1. Meetings of the Management Board shall be held in accordance with an approved work plan of the Management Board. If necessary, extraordinary (unplanned) meetings of the Management Board may also be held.

5.2. The Management Board's work plan shall be drafted whilst taking into account the need for preliminary review of issues submitted for review to the Board of Directors of the Company in accordance with an approved work plan of the Board of Directors. The Management Board's work plan shall be compiled based on the provisions of this Statute on the Management Board, whilst taking into consideration the requirements of applicable laws, based on instructions made by the Chairman and proposals made by members of the Management Board or heads of the Company's structural subdivisions.

5.3. The Management Board's work plan shall be prepared for the forthcoming calendar year. If necessary the Management Board's work plan can be adjusted (changed to reflect new circumstances or events). The inclusion of additional questions on the agenda or the adjustment of the agenda may be effectuated by the Chairman of the Management Board on his own initiative or on the suggestion of members of the Management Board.

5.4. Each work plan of the Management Board shall be approved by decision of the Management Board not later than 14 calendar days before the relevant period for which the plan is made and shall contain dates of meetings of the Management Board, the texts of issues on the agenda and shall also name officers responsible for the preparation of questions to be discussed.

5.5. Responsibility for the development of a Management Board work plan shall be vested with the Secretary of the Management Board.

5.6. The agenda of each meeting shall comply with the competence of the Management Board (see clause 3.1). All items on the agenda of a meeting shall be worded in such a way so as to reflect the essence of each particular question. It shall not be allowed to use such descriptions as "miscellaneous", "current", etc.

5.7. At least 20 calendar days prior to the beginning of a period covered by a work plan, a draft of the work plan shall be submitted to the members of the Management Board for their review and consideration.

5.8. Proposals on items for inclusion into the Management Board's work plan submitted by the members of the Management Board, the President, the Vice President and the heads of the Company's structural subdivisions shall be accepted if received 45 days before the start of the relevant period.

5.9. The agenda of a meeting of the Management Board shall include not more than three items, as a general rule.

5.10. The agenda of each next meeting of the members of the Management Board shall be determined based on the Management Board's work plan, proposals submitted by the Chairman and members of the Management Board. A decision on the agenda of the next meeting of the Management Board, the place and time where and when the meeting will be held shall be adopted by the Chairman of the Management Board. It shall be permitted to hold meetings other than at the premises of the Management Board. It shall not be permitted to hold meetings by distant voting.

5.11. Materials for meetings of the Management Board and minutes of the meetings of the Management Board shall be made in the Russian language. Agenda items shall be discussed in the Russian language.

6. Procedure for Preparing and Presenting Materials for Meetings of the Management Board

6.1. Based on a decision adopted by the Chairman of the Management Board on preparing the agenda of the next meeting of the Management Board, the Secretary of the Management Board shall send to officers responsible for the preparation of questions for discussion at meetings of the Management Board notices on incorporating relevant questions into the agenda of the forthcoming meeting of the Management Board so as to make it possible to organize the timely preparation of a report.

6.2. The agenda of each meeting shall be prepared in accordance with the competence of the Management Board which is set out in the Charter of the Company and this Statute.

6.3. The provision of materials for use at a meeting of the members of the Management Board (on paper and in electronic form) shall be effectuated by a person responsible for preparing relevant questions for discussion. Such materials shall include:

- a presentation containing, as a general rule, up to 22 pages prepared in accordance with standard requirements applicable to presentation formats;
- a draft proposed decision or resolution with an explanatory note of up to two pages, as a general rule; An explanatory note should contain the reasons for adopting the proposed decision or resolution and a draft of such decision submitted for consideration to the Management Board of the Company;
- if necessary a speaker can provide additional materials as appendices to the presentation.

6.4. Materials for use at a meeting of the Management Board shall be provided by the speaker to the Secretary of the Management Board not later than three working days prior to the review of the item in question.

6.5. The Chairman of the Management Board shall have the right to make a decision on whether to distribute Management Board meeting materials to members of the Management Board and to other interested persons. Materials shall be distributed by the Secretary of the Meeting on the instructions of the Chairman of the Management Board.

6.6. Management Board meeting materials shall be confidential and shall not be disclosed to third parties.

6.7. Materials and items submitted for review to the Management of the Board shall be preliminarily approved by relevant functional subdivisions of the Company according to their competence on the issues to be considered by the Board.

7. Procedure for Convening Meetings of the Management Board of the Company

7.1. In general, meetings of the Management Board shall be held every two weeks. The Secretary of the Management Board shall send via email notices on the forthcoming meeting of the Management Board to members of the Management Board and to persons invited to meetings of the Management Board not later than two working days before the meeting is held.

7.2. A notice on convening and holding a meeting shall contain the following information:

- Agenda specifying speakers on each item;
- Place and time appointed for holding the meeting;
- Materials on items on the agenda (as per decision of the Chairman of the Management Board).

7.3. Notices on convening and holding meetings may also contain reasons for incorporating specified questions into the agenda and an indication of the person convening the meeting (the name of such person and the name of the organ and/or legal entity requesting that such meeting be held).

8. Procedure for Holding Meetings of the Management Board

8.1. Meetings of the Management Board shall be held only with all entitled persons being actually present in the place and at the time of the meeting. In the event it is impossible to be present at a meeting, the member of the Management Board shall notify thereof the Chairman of the Management Board. In such case, the member of the Management Board shall have the right to submit to the Secretary of the Meeting a written opinion on the items on the agenda. Written opinions on the agenda items submitted by members absent from a meeting of the Management Board shall be made available to members of the Management Board present at the relevant meeting and shall be taken into consideration when determining if there is a quorum and the voting results.

8.2. In the event that any member of the Management Board who earlier submitted his written opinion is present at the meeting, his written opinion shall not be read and shall not be taken into account when determining the results of the voting thereat.

8.3. Those invited shall be admitted to a meeting of the Management Board as per list approved by the Chairman of the Management Board. The list of the invited persons shall be recorded in the minutes.

8.4. Meetings of the Management Board shall be attended by members of the Management Board and invited persons.

8.5. A meeting of the Management Board shall be duly constituted and empowered to make decisions (shall have a quorum) if at least one half of the members of the Management Board are present thereat. If a meeting has no quorum, the Chairman of the Management Board shall set a new date for holding the meeting.

8.6. Before each meeting the Secretary of the Management Board shall register all members of the Management Board arriving to take part in the work of the meeting and all invited persons.

8.7. All those invited to attend a meeting shall have the right to take part in discussion of the questions dealt with at the meeting.

8.8. To the meetings of the Management Board shall also be invited speakers on agenda items, the Corporate Secretary, the Secretary of the Management Board and required technical personnel.

8.9. Up to 3 persons on each item on the agenda may be invited to take part in a meeting of the Management Board if so suggested by the relevant speaker.

8.10. Speakers on agenda items and persons invited to take part in the discussion of agenda items shall be present at a meeting of the Management Board only for as long as the item in question is dealt with by the meeting.

8.11. Discussion of items on the agenda at a meeting of the Management Board.

8.11.1. At a meeting of the Management Board shall be discussed questions put on the agenda as per usual procedure or by decision of the Chairman of the Management Board.

8.11.2. Discussion of items on the agenda at a meeting of the Management Board shall be effectuated in the following procedure:

- a report shall be heard submitted by a person responsible for the particular item.
- a co-speaker is heard next (if any);
- members of the Management Board then put questions to the speakers and also to any other officers of the Company present at the meeting;
- members of the Management Board and also other invited persons speak during the discussion of the report;
- heard will be written proposals relating to a draft decision submitted by members of the Management Board;
- the speaker then comments briefly on proposals made during the discussion;
- the Chairman of the Management Board will then sum up the discussion results and shall formulate proposals on a draft decision based on the materials submitted and shall specify implementation timeframes;
- voting and vote counting will then take place. Voting may be conducted both with respect to the entire draft decision and with respect to separate elements in the decision at the demand of any member of the Management Board;
- the Chairman of the Management Board then makes public the voting results;
- members of the Management Board are given an opportunity to express their minority opinion (to append it to the minutes of the meeting of the Management Board). Such minority opinion may be submitted by a member of the Management Board in writing within two days from when the meeting of the Board of Directors is held.

8.11.3. Times for making reports, co-reports and concluding addresses shall be set by the Chairman of the Management Board in accordance with the speakers and co-speakers however not more than 20 and 10 minutes shall be allocated for each report and co-report, respectively. Those participating in the debates shall have up to five minutes at their disposal.

8.11.4. The total duration of a meeting of the Board of Directors shall not exceed 1.5 hours.

8.11.5. A person taking part in the debates must:-

- outline briefly his or her position on the item in question;
- express his or her attitude to a draft decision of the Management Board proposed by the speaker and other participants of the Management Board meeting based on review of the materials on the agenda item;
- express his or her proposals on the draft decision on the agenda item in question.

8.11.6. The Chairman of the Management Board and -- in his absence -- the deputy chairman of the Management Board shall chair meetings of the Management Board. In the event of their absence, members of the Management Board may elect the chair from among their members.

8.11.7. The person chairing a meeting of the Management Board shall:-

- organize work of the Management Board;
- chair the meeting of the Management Board;
- give the floor to questions, reports and speeches;
- organize the debates;
- express his or her own position on the agenda item in question;
- sum up the results of the debates, generalize and express proposals submitted;
- ensure compliance with the procedure;
- put to the voting draft decisions of the Management Board, proposals made by members of the Management Board with regard to items discussed at the meeting, shall organize voting and vote counting and shall announce the voting results;
- take decisions on making specific control organs responsible for the implementation of decisions of the Management Board;
- ensure that the minutes are kept properly as well as, when necessary, shorthand reports, and sign the minutes.

8.11.8. When adopting resolutions at meetings of the Management Board, each member of the Management Board shall have one vote. No member of the Management of the Board may transfer his vote to any other person, including any other member of the Management Board.

8.11.9. If necessary, a meeting of the Management Board or the review of a particular question included on the agenda of the meeting may be postponed (put off until a later time).

8.11.10. A decision shall be deemed adopted if more than half of those present at the meeting of the Management Board vote for it. In the event of a tie vote, the Chairman of the Management Board shall have a casting vote.

8.11.11. Votes shall be counted by the Secretary of the Management Board.

8.11.12. If a member is in disagreement with any decision adopted by the Management Board, the member may demand that his or her minority opinion be appended to the minutes of the meeting, and such minority opinion shall be submitted in writing to the Secretary of the Meeting within 2 days from the date of the meeting of the Management Board.

8.12. At each meeting of the Management Board shall be announced the planned agenda of the next meeting.

9. Minutes of the Meetings of the Management Board and Other Documents

9.1. The Secretary of the Management Board shall compile the minutes of a meeting of the Management Board and shall submit them for signature to the Chairman of the Management Board within three working days from the relevant meeting.

9.2. There shall be specified in the minutes:

- the number of the minutes (numbered in ascending order from start of the year);
- the full name of the Company;
- place and time the meeting is held;
- persons present at the meeting (members of the Management Board and those invited);
- whether a quorum is present;
- persons who submitted written opinions on items on the agenda;
- the agenda of the meeting,
- items or questions dealt with and the results of the voting thereon;
- adopted decisions, periods of time to implement them, officers in charge.

9.3. For the purposes of preparing the minutes of the meetings of the Management Board, draft decisions on each item on the agenda shall be checked by the Secretary of the Management Board together with relevant speakers and officers in charge of implementing relevant commissions of the Management Board.

9.4. The text of the minutes of all meetings of the Management Board prior to signing shall be initialed by a representative of the Legal Issues Complex.

9.5. The minutes of a meeting of the Management Board shall be signed by the Chairman of the Management Board or the deputy chairman of the Management Board deputizing for him.

9.6. Minority opinions of members of the Management Board on decisions adopted shall be appended to the minutes in each particular case.

9.7. All written opinions on any item on the agenda of a meeting submitted by absent members of the Management Board and used to determine the quorum and the results of the voting thereat shall be attached to the respective minutes of the meeting.

9.8. The minutes of meetings of the Management Board shall be kept in the Unified Documentary Informational Foundation of the Company (in accordance with the Statute on preparing, and working with, information of the Unified Documentary Information Foundation). To the minutes shall be appended materials submitted by members of the Management Board when reviewing relevant items on the agenda and also during the presentation of reports.

9.9. Electronic versions (copies) of the minutes and materials appended thereto shall be kept with the Secretary of the Management Board. The Secretary of the Management Board shall keep an electronic database of minutes and materials of the Management Board and shall send them (copies thereof) to the Unified Documentary and Information Foundation of the Company.

9.10. The Secretary of the Management Board shall prepare and send to persons in charge over the implementation of decisions of the Management Board excerpts from the minutes of meetings of the Management Board.

9.11. Shareholders holding over 25% of the shares in the Company and also members of the Board of Directors, members of the Management Board, the Department of Internal Control and Audit, members of the audit commission and the auditor of the Company may familiarize

themselves with the minutes of meetings of the Management Board by applying to the Secretary of the Management Board.

9.12. At the written request of the above-specified persons, the Secretary of the Management Board shall prepare and send to them copies of the minutes of meetings of the Management Board, excerpts from such minutes which shall be attested by the Chairman of the Management Board.

9.13. The Secretary of the Management Board shall record all requests and all copies provided as well as excerpts from the minutes of the Management Board in a special register.

9.14. Audio recordings of meetings:

9.14.1. The Secretary of the Management Board shall ensure that minutes of the Management Board are recorded.

9.14.2. The minutes of a meeting shall be prepared based on the transcripts of such audio recordings.

9.14.3. The transcripts of audio recordings shall not be appended to the text of the relevant minutes but shall be kept by the Secretary of the Management Board and shall be accessible only to members of the Management Board.

10. Implementation of Decisions of the Management Board

10.1. Decisions of the Management Board shall be binding on members of the Management Board and employees of the Company.

10.2. Control over implementation of decisions adopted by the Management Board shall be effectuated by the Chairman of the Management Board. On the instructions of the Chairman of the Management Board, information on performance of decisions of the Management Board shall be collected by the Secretary of the Management Board. And the Secretary of the Management Board shall have the right to request from responsible officers any information associated with the performance of decisions of the Management Board taking into account confidentiality provisions.

10.3. The Secretary of the Management Board shall prepare and send for implementation to officers in charge named as such in the minutes of relevant meetings of the Management Board excerpts from the minutes of the meetings of the Management Board.

10.4. The Chairman of the Management Board shall have the right to adopt a decision on extending periods of time needed to implement decisions but not more than for three months. The implementation period of a decision may be extended by decision of the Management Board.

10.5. Prior to each meeting of the Management Board, the Secretary of the Management Board shall inform the Chairman of the Management Board of all instances of noncompliance with the implementation of adopted decisions.

11. Procedure for Making Changes in the Statute on the Management Board

- 11.1. Changes in this Statute may be made on the initiative of the President of the Company, the Board of Directors, the Management Board itself and the audit commission and shall be approved by the General Shareholders' Meeting of the Company.
- 11.2. Should there be a conflict between the provisions of this Statute and the requirements of the laws of the Russian Federation, the laws of the Russian Federation shall prevail. However, this Statute shall remain in effect where it does not contradict the laws of the Russian Federation.