

Registered on " _____ " _____ 2003
state registration number

□-□□-□□□□□□-□-□□□□□

FCSM of Russia

(name of registration authority)

(signature of authorized person)

(seal of registration authority)

DECISION ON BOND ISSUE

Public Joint-Stock Company

"Southern Telecommunications Company"

***series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with
mandatory centralized custody
total amount - 1 500 000 bonds with face value of 1000 rubles each
the maturity date - 1, 092nd (the one thousand and ninety-second) day from the start date of the
bond placement by public offering.***

approved by "UTK" PJSC Board of Directors
on September 30, 2003 Minutes № 18
based on the Resolution of "UTK" PJSC Board of Directors
on September 30, 2003 Minutes № 18

Seat of the company: 66, Karasunskaya Str., Krasnodar 350000
Postal address: 66, Karasunskaya Str., Krasnodar 350000
Phone: (8612) 53-20-56, 53-02-07
Fax: (8612) 53-19-69

"UTK" PJSC General Director (CEO) _____ V. L. Gorbachev
September 30, 2003 Seal

The bond issue is underwritten by a third party in accordance with conditions specified hereinafter

Underwriting agent:
Company with Limited Liability "UTK-Finance"

Director of Company with Limited Liability "UTK-Finance" _____ I.I. Ignatenko
September 30, 2003 Seal

1. Kind, category (type), series of securities.

Kind of securities: *payable to bearer bonds*

Series: *02*

Full name of the bond issue: *series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody*

2. Form of the bonds.

certificated pay-to-bearer

3. Information on mandatory centralized custody.

The bond issue is subject to mandatory centralized custody.

Depository:

Full registered name: *Non-commercial partnership "National Depository Center"*

Abbreviated name: *NDC*

Headquarters: *building 4, 1/13, Sredniy Kislovskiy pereulok, Moscow, 125009*

INN: *7706131216*

License number: *177-03431-000100*

Date of license registration: *4.12.2000*

Valid till: *unlimited*

Registration authority: *FCSM of Russia*

Rights on all bonds of the issue are certified by a single Certification, form of which is enclosed in the Exhibit to the present Decision on bond issue and Prospectus on the Bond Issue (hereinafter referred to as the "Certification"). The Certification is subject to mandatory centralized custody in the Depository and cannot be handed to Owners of the Bonds. The Bond Owners are not entitled to demand the Certification be handed to them.

Rights on the Bonds and on the Bonds transfer including burden them with obligations are being registered and certified by Non-commercial partnership "National Depository Center" acting as Depository and other depositaries being depositors of the Depository (hereinafter referred to as the "Depository").

Rights on the Bonds are being certified by abstracts of depository accounts given by NDC and depositaries being depositors of NDC to the Holders of Bonds.

Rights on Bonds are considered transferred from the moment of entering by the Depository or the depositaries being depositors of NDC corresponding record under the depository account of the purchaser.

Bonds are to be written off the deposit accounts of the Depository after repayment of all Bonds at execution by the Issuer of the obligations on payment of the coupon income and the Bond par value.

The Certificate shall be cancelled after write-off of all Bonds from accounts of depot of owners and Holders of Bonds in the Depository.

The order of recording and transferring the rights on documentary securities with the mandatory centralized custody is regulated by the Federal law № 39-FZ "On Securities Market" of April 22, 1996, Regulations on depository activity in the Russian Federation, approved by the authorized resolution № 36 of the Federal Commission for Securities Market of Russia of October 16, 1997.

Pursuant to the Law " On Securities Market ":

- In case of custody of certificates of pay-to-bearer documentary securities and-or registration of the rights on such securities in the Depository, the right on pay-to-bearer documentary security shall pass to the purchaser at the moment of making entering record in the account of depot of the purchaser.

- The rights granted by securities pass to their purchaser from the moment of transition of the rights on these securities. In case of custody of certificates of pay-to-bearer documentary securities in Depositories, the rights granted by securities, shall be exercised on the basis of certificates presented by these Depositories on behalf of the owners, the list of such owners being enclosed. In such case the Issuer ensures exercise of the rights on pay-to-bearer documentary securities to the person specified in this list.

- Should the data on the new owner of such security not been presented to the holder of the register of the given issue or the nominal holder of the security by the moment of closing the register for execution of the Issuer's obligations (including acquisition of income and others), execution of obligations in relation to the owner registered in the register at the moment of its closing shall be declared appropriate. The purchaser of the security bears the responsibility for the timely notification.

According to Regulations on depository activity in the Russian Federation, approved by the Decision of the Federal Commission for Securities Market № 36 of October, 16, 1997:

- Depository is obliged to provide custody of securities and (or) registration of rights on securities of each client (depositor) separately from securities of other clients (depositors) of the Depository, in particular, by opening of the separate account of depot for each client (depositor).*
- Records made by the Depository in relation to the rights on securities shall certify the rights on securities if not established otherwise judicially.*
- Depository is obliged to make transactions with securities of clients (depositors) only on behalf of these clients (depositors) or the persons authorized by them, including trustees of accounts, and in time, established by the Deposit Agreement.*
- Depository is obliged to make records under the account of depot of the client (depositor) only at presence of the documents giving grounds for making such records in accordance with the Regulations on depository activity, other normative legal acts and the Deposit Agreement.*

The grounds for making records under the account of depot of the client (depositor) are the following:

1. order of the client (depositor) or the person authorized by him, including the trustee of the account, meeting the requirements stipulated in the Deposit Agreement;

2. if lapse of the right on securities is not a result of civil-law transactions - documents confirming transfer of the rights on securities according to the effective legislation.

- Depository is obliged to register the facts of burden of the securities with a pledge as well as other rights of the third parties in the order stipulated by the Deposit Agreement.

- Rights on securities which are registered by the Depository are deemed transferred from the moment of making the corresponding record in the account of depot of the client (depositor) by the Depository. However, if there is no such record in the account of depot, the interested person shall be entitled to prove his rights on the securities on the basis of other proofs.

4. Face value of each bond of the issue.

RUR 1 000

5. Number of the bonds of the issue

1 500 000

6. Total number of the bonds of the issue that have already been placed

(to be specified in case of additional bond issue)

The bonds of the issue have not been placed previously.

7. Rights granted by each security of the issue to their owners:

Series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody (hereinafter referred to as "Bonds", "Bonds Issue" and "Bond", "Bond Issue") are direct and pure obligations of "Southern Telecommunications Company" PJSC (hereinafter referred to as "Issuer").

Each bond shall grant its holder equal scope of rights.

- 1. A Bond holder is entitled to get the face value of the Bond when the Bond is retired.**
- 2. A Bond holder is entitled to get the interest of the Bond face value (coupon yield), fixed in the Bond, the procedure of determining such interest being described in paragraph 9.3 of the decision on the bond issue.**
- 3. A Bond holder is entitled to demand repayment of Bonds by the Issuer in cases and on terms specified by the Decision on the bond issue and the Prospectus on Bonds.**

If the Issuer refuses to fulfill its obligations on bond issue in order and terms specified by the Decision on the bond issue, a Bond holder is entitled to advance a claim to the Issuer in the arbitration court.

4. In case of non-fulfillment by the Issuer of obligations under Bonds or delay in their fulfillment (a default, a technical default) security in the form of underwriting is provided according to item 9.7. and item 12.2. of the Decision on bond issue and item 56.11. and item 56.14 of the Prospectus on the bond issue. The Underwriter carries liability before Bond owners under obligations of the Issuer to pay total par value of the Bonds amounting to 1.5 billion rubles and the cumulative coupon income under Bonds. The size of commitments secured by the Underwriter can not exceed 2400000000 (Two billion four hundred million) rubles. The Underwriter shall not be responsible for compensation of the Owners' legal costs incurred during the arbitration and other losses of Owners and / or penalties caused by default or inadequate execution by the Issuer of its obligations on payment of par value of Bonds and / or coupon income under Bonds.

The owner of Bonds is entitled to make claims to the company with limited liability "UTK-Finance" in accordance with the conditions of underwriting specified in item 12.2. of the Decision on bond issue and item 56.14. of the Prospectus on the bond issue. Rights on the Bond are transferred to the new owner (purchaser) together with all rights provided by the Underwriter.

5. A Bond Owner is entitled to return his investments in case the bond issue is declared ineffective or invalid in accordance with the legislation of the Russian Federation.

6. A Bond holder is entitled to exercise other rights provided for by the laws of the Russian Federation.

The Issuer undertakes to ensure the rights of Bond holders if they observe the rules of exercise of rights established by the legislation of the Russian Federation.

8. Conditions and Procedure of the bond placement.

8.1. Form of the bond placement.

Public offering

8.2. Terms of the bond placement.

Launch date of the placement, or the procedure of its determination:

The placement of Bonds shall be launched not earlier than two weeks after the disclosure of information on the state registration of the bond issue and provision easy access to the information on the bond issue to be made public in accordance with the Federal law "On Joint –Stock Companies" and other applicable acts of FCSM of Russia to all potential buyers of Bonds in order specified in item 11 of the Decision on bond issue and item 56.1. of the Prospectus on the bond issue.

Within 5 (five) days from the date of the state registration of Bond Issue the Issuer shall publish in the "Supplement to the Bulletin of the FCSM of Russia" and in the newspaper "Vedomosti" or "Izvestiya" the following information:

- Name of the Issuer, its location and postal address;**
- Type and form of the bonds being placed;**

- **Number of the bonds being placed;**
- **Terms and conditions of bonds' placement;**
- **Date and number of the state registration of the bond issue;**
- **name and location of the authorized body which has made the state registration;**
- **Place (places) and procedure of familiarization with the Decision on bond issue and the Prospectus of Bonds.**
- **undertaking by the Issuer obligations on disclosure of information in the form of a Issuer's quarterly report and reports on material facts (events and actions) affecting the Issuer's financial and economic activity in cases and in order prescribed by the normative acts of the FCSM of Russia;**
- **providing access to information contained in registered Report on the results of the bond issue.**

Launch date of the Bond placement shall be established by the Issuer after the state registration of the bond issue and brought to the notice of potential buyers of Bonds not later than 5 (five) business day prior to the launch date of the placement through publication in the newspapers "Vedomosti" and/or "Izvestiya".

Expiry date of the placement, or the procedure of its determination:

Expiry date of the bond placement is one of the following dates that comes first: a) date of the placement of the last Bond of the issue; or b) 20-th (twentieth) business day after the launch day of the bond placement.

A that, the expiry date of the bond placement cannot be later than one year from the date of the state registration of the Bond issue.

8.3. Procedure of the bond placement

Procedure and conditions of the conclusion of transactions (procedure and conditions of submission and satisfaction of orders):

During the bond placement transactions will be concluded on the conditions of negotiable transactions in the Stock Market Section of MICEX by satisfying target orders for purchase/sale submitted to the Trading and clearing Systems of MICEX. Time of submission and satisfaction of orders is determined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and-or the Underwriter.

The financial consultant of the equity market who signs the Prospectus of Bonds, shall approve a register of orders for purchase of Bonds received during each day of the placement as well as final register of orders for purchase of Bonds upon termination of the placement made up by the Organizer of trade – Private Joint –Stock Company "Moscow Interbank Currency Stock Exchange " (hereinafter referred to as MICEX).

During the placement transactions are concluded through the organizer of trade- Private Joint –Stock Company "Moscow Interbank Currency Stock Exchange " (hereinafter referred to as MICEX).

The submitted orders for Bonds purchase shall be satisfied by the Underwriter in full if the number of Bonds specified in the order does not exceed the number of unplaced Bonds. If the number of Bonds indicated in the order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. The Underwriter shall satisfy the orders for Bonds purchase on a first-come basis. After placement of all bond volume the conclusion of transactions stops.

The order and conditions of civil agreements (the order and conditions of submission and satisfaction of orders) during the Auction on determination of the first coupon interest rate of the first coupon are described in the section " Conditions and procedure of the bond placement ".

Obligatory condition of Bonds acquisition at their placement is reservation of money resources of the buyer on the account of the Member of the stock market Section on behalf of which the order has been sent, in the MICEX Clearing house. The amount of the reserved money resource should be sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee. The potential buyer of Bonds should also open the account of depot in NDC or Depository, being the depositor in relation to NDC.

If the order conditions conform with the requirements specified in the Decision on bond issue and the Prospectus of Bonds, they are being registered in the MICEX and approved by the Underwriter.

The sold Bonds are to be transferred by the Depository to the accounts of depot of the bond buyers on the date of conclusion of the transactions.

The Bonds placement is performed by the conclusion of transactions of sale and purchase of Bonds in the MICEX Stock market Section through Trading and clearing Systems of MICEX in compliance with the Securities Trading Rules of MICEX effective as at the bond placement date.

Data on the organizer of trade in the equity market:

Full registered name: ***Closed joint-stock company "Moscow Interbank Currency Exchange"***

Abbreviated registered name: ***CJSC "Moscow Interbank Currency Exchange" /MICEX.***

Location: ***13, Bolshoi Kislovskiy per., Moscow***

Postal address: ***13, Bolshoi Kislovskiy per., Moscow, 125009, the Russian Federation***

Number of the license of the professional participant of the securities market: ***077-05870-000001***

Date of the license: ***February, 26 2002.***

Valid till: ***without restriction of validity***

Licensing body: ***Federal Commission for Securities Market of Russia.***

The conclusion of transactions on the Bond placement shall begin on the launch date of the Bond placement after the Auction on determination of the first coupon interest rate and end on the expiry date of the Bond placement.

The price of the placement in the first and the next days term of the bond placement is fixed at a rate of 100 (Hundred) percent of bonds par value.

Underwriter acts as an intermediary at the Bonds placement working on its own but on behalf of the Issuer.

If a potential buyer of the Bonds is not a member of the Stock Market Section of MICEX, he should conclude the contract with any broker being a member of the Stock Market Section of MICEX and instruct him on the Bond acquisition.

The potential buyer of Bonds who is a member of the Stock Market Section of MICEX shall operate independently.

The potential buyer of Bonds shall be obliged to open the account of depot in NDC or other Depository being the depositor in relation to NDC.

Annual interest rate on the first coupon is to be fixed during the auction held in the MICEX Stock market section The Auction shall start and end on the launch day of the bond placement. Time of fixing interest rate on the first coupon and conclusion of transactions is determined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and-or the Underwriter

On the date of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall submit orders for the Bond acquisition to the Underwriter through the trading system of MICEX. Each order shall include the interest rate under the first coupon at which potential buyers are ready to acquire the number of Bonds specified in the order. Interest rate on the first coupon specified in the order shall be expressed as annual interest rate to the 100-th share of percent.

By the beginning of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall have to reserve money resource, sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee.

The orders which do not conform with the above mentioned conditions are not allowed to take part in the Auction.

After the period of submission of the orders for the Auction expires, members of the Stock Market Section of MICEX cannot withdraw the submitted orders.

The Issuer shall not conclude transactions of sale and purchase of Bonds with interested motives which were not earlier approved in order established by the effective legislation and transactions with the persons specified in item 2.5.4. of the «Standards of securities issue and registration of prospectuses of securities» №03-30/nc of June 18, 2003. In this case the Underwriter shall not satisfy the order for purchase of bonds on the basis of the written application of the Issuer to the Underwriter (the order shall be rejected).

After the period of submission of the orders for the Auction expires, MICEX shall make a joint register of the submitted orders for the Issuer and the Financial Consultant.

Individual executive body of the Issuer shall make decision on the size of the annual interest rate under the first coupon on the basis of total number of the submitted orders and the interest rates on the first coupon indicated in them and inform the Underwriter and MICEX about it.

The Underwriter shall publish a notice on the size of the interest rate under the first coupon using MICEX Trading system by means of e-mail to all members of the MICEX Stock Market Section.

The submitted orders are to be satisfied only after the approval of the Register of the submitted orders for bonds purchase by the Financial Consultant.

The orders with the interest rate under the first coupon being equal or less than that specified by the Issuer's individual executive body shall be satisfied at the price of the bond placement constituting 100 (one hundred) percent of the bond face-value of Bonds starting from the orders having the minimal value of the interest rate of all submitted orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis.

After the Issuer fixes the interest rate under the first coupon on the first day of the bond placement the Underwriter on behalf of the Issuer shall satisfy orders for purchase of Bonds on the conditions and in order stated in the Decision on Bond Issue and the Prospectus of Bonds. All transactions of bond sale and purchase during their placement shall be concluded at the price of the Bond par value.

During the Auction the Underwriter shall satisfy the orders of the members of the Stock Market Section for Bonds acquisition in ascending order of the interest rate specified in such orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis. . If the number of Bonds indicated in the last order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. At that the order of the Members of the stock market Section for purchase shall be satisfied provided that the coupon rate specified in it is not higher than the rate on the first coupon specified in the counter order of the Underwriter. Unsatisfied during the Auction orders for bond purchase of the Members of the stock market Section are to be cancelled.

The interest rate under the first coupon having been fixed and the orders submitted during the Auction having been satisfied, the member of the MICEX Stock Market Section acting on its own behalf and at own expense, or on its own behalf, but for the account and on behalf of the potential buyers who are not the members of the MICEX Stock Market Section may submit orders for purchase of Bonds at the price of 100 percent of the bond par value at any working day during the period of placement with indication of the number of bonds to be acquired. Starting from the second day of the bond placement, the buyer shall pay accumulated coupon income under the Bonds calculated from the launch date of the Bond placement according to item 15 of the Decision on Bonds Issue and item 61 of the Prospectus of the Bonds.

Transactions of sale and purchase of Bonds during the placement shall be concluded only after the Financial Consultant approves the Register of the submitted orders for bonds purchase formed by the

MICEX.

During the placement bonds can not be acquired at the expense of the Issuer.

Priority of Bond acquisition during the placement is not provided.

The Company participating in the bond placement:

The bond issue is being placed through the following Financial Consultant of the stock market:

Full registered name: ***Private Joint-Stock Company "Investment Company AVK "***

The abbreviated name: ***JSC "IK AVK"***

TIN: ***7820002270***

Location: ***1, pavilion Uritskogo, Pushkin, Saint-Petersburg, 196605***

Number of the license of the professional participant of the stock market (dealer): ***178-03343-010000***

Date of issue: ***November 29, 2000***

Valid till: ***unlimited***

Licensing body: ***Federal Commission for Securities Market of Russia***

Number of the license of the professional participant of the stock market (broker): ***178-03255-100000***

Date of issue: ***November 29, 2000***

Valid till: ***unlimited***

Licensing body: ***Federal Commission for Securities Market of Russia***

Main functions of the given person: ***renders services of the Financial consultant on the securities market under the Agreement №86-OF/03 of September 01, 2003, namely:***

1. Preparation of draft Decisions of the authorized bodies of the Issuer necessary for the organization of the bond issue and preparation of the report on the results of the bond issue.

2. Preparation of draft Decision on the bond issue and prospectus of bonds according to the requirements of registering body and the effective legislation.

3. Preparation of the draft Report on the results of the bond issue according to the requirements of registering body and the effective legislation.

4. If introduction of changes and (or) additions in the Decision on bond issue as well as in the prospectus of securities (bonds) on demand of registering body or the Issuer is necessary before submission of the documents to the state registration, preparation and submission of all necessary documents to the Issuer for approval, with their subsequent submission for registration in the order established by the law.

5. Approval of the register of the submitted orders for Bonds purchase according to the results of each day of the bond placement, and upon termination of the placement - the final Register of the submitted orders for Bonds purchase formed by the Organizer of the trade.

6. Consulting the Issuer on the questions of:

- Information disclosure during preparation of the bond issue;***
- preparation of the Decision on bond issue and the Prospectus of securities (bonds);***
- formation of a package of documents for state registration of the bond issue;***
- preparation of the Report on the results of the bond issue;***
- formation of a package of documents for registration of the Report on the results of the bond issue.***

The Underwriter of the bond placement:

Full registered name: **Joint-stock commercial bank " ROSBANK " (open joint-stock company)**

Abbreviated name: **OJSC AKB " ROSBANK "**

TIN: **7730060164**

Location: **11, Masha Poryvaeva Str., Moscow, 107078**

Postal address: **mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078**

Number of the license: **№ 177-05721-100000 for broker activity**

Date of issue: **06.11.2001**

Valid till: **unlimited**

Licensing body: **Federal Commission for Securities Market of Russia**

Functions of the Underwriter, methods of the placement, essential provisions of the agreement:

The bond placement is performed by OJSC AKB "ROSBANK" operating on the basis of the Agreement № AN-1-YuT/2003 of September 01, 2003. According to the Agreement the function performed by the Underwriter is concluding on its own behalf but at the expense of the Issuer transactions on Bonds sale.

Remuneration of the Underwriter shall not exceed 1,0 (one) percent of the total par value of the bond issue.

Pursuant to the Contract the Underwriter can not acquire the bonds at its own expense.

During the bond placement transactions will be concluded on the conditions of negotiable transactions in the Stock Market Section of MICEX by satisfying target orders for purchase/sale submitted to the Trading and clearing Systems of MICEX.

The submitted orders for Bonds purchase are satisfied by the Underwriter in full if the number of Bonds indicated in the order does not exceed the number of unplaced Bonds. If the number of Bonds indicated in the order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. At that, during the Auction held in the MICEX stock market section the order of the Members of the stock market Section for purchase shall be satisfied provided that the coupon rate specified in it is not higher than the rate on the first coupon specified by the Issuer's Individual executive body starting from the orders having the minimal value of the interest rate of all submitted orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis. If the total volume of par value of the bond issue is placed, further orders for bond purchase shall not be accepted.

Procedure of making an entry record under the account of depot of the first buyer in the Depository providing centralized custody:

According to Regulations on depository activity in the Russian Federation, approved by the Decision of the Federal Commission for Securities Market № 36 of October, 16, 1997, other legal acts and the Deposit Agreement Depository is obliged to make records under the account of depot of the client (depositor) only at presence of the documents giving grounds for making such records.

The grounds for making records under the account of depot of the client (depositor) are the following:

- 1. order of the client (depositor) or the person authorized by him, including the trustee of the account, meeting the requirements stipulated in the Deposit Agreement;**
- 2. if lapse of the right on securities is not a result of civil-law transactions - documents confirming transfer of the rights on securities according to the effective legislation.**

Depository is obliged to register the facts of burden of the securities with a pledge as well as other rights of the third parties in the order stipulated by the Deposit Agreement.

Rights on securities which are registered by the Depository are deemed transferred from the moment of

making the corresponding record in the account of depot of the client (depositor) by the Depository. However, if there is no such record in the account of depot, the interested person shall be entitled to prove his rights on the securities on the basis of other proofs.

A potential buyer of Bonds is obliged to open an account of depot in NDC or any other Depository being a depositor of NDC.

The sold Bonds are to be transferred by NDC to the accounts of the buyers on the day of concluding the transaction for purchase and sale.

The entry record under the account of depot of the first buyer in the Depository is made on the grounds of the orders given by the clearing organization servicing the transactions executed by the MICEX during the bond placement. The placed Bonds are transferred to the accounts of depot of the buyers by the Depository in accordance with the conditions of realizing clearing activity by the clearing organization and the conditions of realizing depository activity by the Depository.

8.4. Price of the placement.

During the first and the following days of the bond placement the bonds are to be placed at the price of 100 (one hundred) percent of their face value (one thousand roubles per one Bond).

Starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds.

8.5. The right of priority during the bond placement.

The right of priority is not provided.

8.6. Payment of Bonds.

When being acquired bonds shall be paid out in money terms in currency of the Russian Federation by cashless settlement.

Payment by installments:

Payment by installments is not allowed.

Essential elements of the accounts to which payments of bonds are to be transferred:

Holder of account: *Joint-Stock Commercial Bank "Rosbank" (Open Joint-Stock Company)*

Account number: *30401810400100000411*

Credit organization:

Full name: *Nonbank credit organization Closed joint-stock company "Clearing house of the Moscow Interbank Currency Exchange "*

Abbreviated name: *CJSC "RP MICEX"*

Location: *building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125009*

Postal address: *building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125009*

BIC: *044583505*

Correspondence account: *30105810100000000505 in OPERU of the Moscow branch of the Bank of Russia*

Other conditions of payment:

The bonds shall be paid out in money terms in currency of the Russian Federation by cashless settlement according to the Rules of the MICEX Stock Market Section.

Starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds (NKD) calculated by the following formula:

$$NKD = N \times C_1 \times (T - T_0) / 365 / 100\%$$

C_1 -interest rate for the first coupon (annual);

N -face value of one Bond;

T -date of NKD calculation;

T_0 -launch date of the placement;

NKD - accumulated coupon income on each Bond.

Amount of accumulated coupon income on one Bond is calculated to one kopeck (Methods of mathematical rounding are used).

Settlement of accounts on the bond placement shall be made on a "delivery against payment" basis.

Money resources received during the bond placement in MICEX shall be entered in the account of the Underwriter in the MICEX Clearing house.

Money resources entered in the account of the Underwriter in the MICEX Clearing house shall be transferred to the account of the Issuer not later than on the next working day after their receipt in the account of the Underwriter in the MICEX Clearing house;

8.7. Share of bonds which if not being placed makes the bond issue frustrated.

Such share is not established.

9. Terms and procedure of Bonds redemption and/or payment of the coupon income on Bonds.

9.1. Form of the bond redemption.

Repayment of Bonds shall be carried out in money terms in currency of the Russian Federation by cashless settlement.

9.2. Terms and the arrangements of the redemption.

The Maturity date:

The first day of the Maturity date:

the 1 092nd (one thousand and ninety second) day from the launch date of the bonds placement.

The last day of the Maturity date:

Coincides with the first day of the Maturity date.

Bonds are to be redeemed by the Payment agent on behalf and at the expense of the Issuer which is:

Full registered name: *Joint-stock commercial bank " ROSBANK " (open joint-stock company)*

Abbreviated name: *OJSC AKB " ROSBANK "*

Location: *11, Masha Poryvaeva Str., Moscow, 107078*

Postal address: *mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078*

The Issuer is entitled to appoint other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in the newspapers "Vedomosti" and/or "Izvestiya" not later than 10 (ten) working days prior to such actions.

Bonds are to be redeemed at their par value on the 1 092nd (one thousand and ninety second) day from the launch date of the bonds placement

If the maturity date happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the maturity date. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.

Repayment of Bonds shall be carried out in currency of the Russian Federation by cashless settlement in favor of the Bond Holders. It is presumed that a bond holder who is a depositor of NDC is authorized to receive amounts from the Bond redemption.

Repayment of Bonds is made for the benefit of Holders of the Bonds being those as of the end of working hours of NDC, previous to the seventh business day before the maturity date (further under the text - " Date of making up a list of owners and Holders of Bonds).

Obligations on Bonds redemption are executed by the Issuer for the benefit of the Bond owners on the basis of the List of owners and/or Holders of Bonds presented by NDC.

Not later than 6 (six) working days prior to the Maturity Date NDC depositor who is not authorized by the clients to receive amounts from the Bond redemption shall provide NDC with the List of the Bond owners including the below mentioned data .

Execution of obligations in relation to the Bond owner being those at the date of making up a list of owners and Holders of Bonds declares appropriate including in case of alienation of Bonds after Date of making up a list of owners and Holders of Bonds.

Not later than 4 (four) working days prior to the Maturity Date NDC provides the Issuer and the Payment agent with the list of owners and Holders of the Bonds, made on Date of making up the list of owners and Holders of Bonds including the following data:

a) A full name of the person, authorized to receive the redemption sums under Bonds.

If Bonds are transferred by the owner to the Holder and the Holder is authorized to receive the sums of repayment under Bonds, the full name of the Holder shall be specified. If Bonds have not been transferred to the Holder and-or the Holder is not authorized by the owner to get the sums of repayment under Bonds, the full name of the owner of Bonds (First name, middle initial, last name the owner - for the physical person) shall be specified:

b) Number of the Bonds on the account of depot of the owner or inter-deposit account of depot of the Holder of Bonds, authorized to receive the sums of repayment under Bonds;

c) Location and postal address of the person, authorized to receive the sums of repayment under Bonds;

d) The name and essential elements of the bank account of the person, authorized to receive the sums of repayment under Bonds, namely:

- Number of the account;

- The name of bank in which the account is open;

- The correspondent account of bank in which the account is open;

- Bank identification code (BIK) of bank in which the account is open;

e) Tax-payer's Identification number (TIN) of the person, authorized to receive the sums of repayment under Bonds;

f) The tax status of the person authorized to receive the sums of repayment under Bonds (resident, non-resident with permanent representative office in the Russian Federation, non-resident without permanent representative office in the Russian Federation, etc.).

Bond Owners, their authorized persons including depositors of NDC are obliged to provide all necessary information to NDC and independently control the completeness and actuality of the data provided by them to the Depository, they bear all the risks related to non-provision/untimely provision of such information. Should the said data fail to be submitted, or fail to be submitted in due time to NDC, the Issuer bears no responsibility for untimely or undue execution of obligations on Bond redemption. It is the Owner of Bonds who takes the risks of damages in case of untimely or incomplete submission of the above mentioned data.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of the NDC's data. In cases stipulated by the Agreement with NDC the Issuer is entitled to demand confirmation of such data by information from the Register.

On the basis of the list of Bond Owners and Holders, provided by NDC, the Payment Agent calculates the amounts of money to be paid to each person authorized to receive Bond redemption amounts.

Not later than 3 (three) working day before the Maturity Date, the Issuer transfers the appropriate money to the Payment Agent's account.

As at the date of Bonds redemption the Payment Agent transfers the appropriate money to accounts of the persons authorized to get the sums of redemption under Bonds for the benefit of the Bond Owners.

If one person is authorized to receive Bond retirement amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

9.3. Procedure of calculating income paid under each bond.

Coupon period		Coupon income
Launch date	Expiry date	

1. Coupon: Annual interest rate on the first coupon is to be fixed during the auction held in the MICEX Stock market section. The Auction shall start and end on the launch day of the bond placement. Time of fixing interest rate on the first coupon and conclusion of transactions is determined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and-or the Underwriter

On the date of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall submit orders for the Bond acquisition through the trading system of MICEX. Each order shall include the interest rate under the first coupon at which potential buyers are ready to acquire the Bonds at the price of 100 percent of their par value and the corresponding number of Bonds which potential buyers are ready to acquire if the Issuer fixes the interest rate on the first coupon higher or equal to that specified in the order. Interest rate on the first coupon specified in the order shall be expressed as annual interest rate to the 100-th share of percent.

By the beginning of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall have to reserve money resource on their accounts in the MICEX Clearing system, sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee.

The orders which do not conform with the above mentioned conditions are not allowed to take part in the Auction.

After the period of submission of the orders for the Auction expires, members of the Stock Market Section of MICEX cannot withdraw the submitted orders.

After the period of submission of the orders for the Auction expires, MICEX shall make a joint register of the submitted orders and send it to the Issuer.

All the submitted orders are to be considered by the Issuer. Individual executive body of the Issuer shall make decision on the size of the annual interest rate under the first coupon on the basis of total number of the submitted orders and the interest rates on the first coupon indicated in them and inform the Underwriter and MICEX about it.

The Underwriter shall publish a notice on the size of the interest rate under the first coupon using MICEX Trading system by means of e-mail to all members of the MICEX Stock Market Section.

Launch date of the first coupon is the first day of the bond placement.	Expiry date of the first coupon is the launch date of the second coupon being the 182 nd day from the first day of the bond placement.	The size of the first coupon income per one Bond is determined according to the following formula: $KD = C1 * N * (T1 - T0) / (365/100 \%),$ Where, KD - size of the coupon income on each Bond ; N - face-value of one Bond ; C1 - the size of the interest rate of the first coupon, in percentage annual;
---	---	--

		<p>T0 - a launch date of the first coupon period; T1 – an expiry date of the first coupon period.</p> <p>The size of coupon income for the first coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
--	--	--

2. Coupon: The interest yield for the second coupon will be equal to the interest rate for the first coupon.

<p>Launch date of the second coupon is the 182-nd day from the first day of the bond placement.</p>	<p>Expiry date of the second coupon is the launch date of the third coupon being the 364th day from the first day of the bond placement.</p>	<p>The size of the second coupon income per one Bond is determined according to the following formula: $KD = C2 * N * (T2 - T1) / (365/100 \%),$ Where, KD - size of the coupon income on each Bond .; N - face-value of one Bond ; C2 - the size of the interest rate of the second coupon, in percentage annual; T1 - a launch date of the second coupon period; T2 – an expiry date of the second coupon period.</p> <p>The size of coupon income for the second coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
---	--	--

3. Coupon: The interest rate on the third coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers “Vedomosti” or “Izvestiya” not later than 10 (ten) working days prior to the date of the second coupon payment.

<p>Launch date of the third coupon is 364-th day from the first day of the bond placement.</p>	<p>Expiry date of the third coupon is the launch date of the fourth coupon being the 546th day from the first day of the bond placement.</p>	<p>The size of the third coupon income per one Bond is determined according to the following formula: $KD = C3 * N * (T3 - T2) / (365/100 \%),$ Where, KD - size of the coupon income on each Bond .; N - face-value of one Bond ; C3 - the size of the interest rate of the third coupon, in percentage annual; T2 - a launch date of the third coupon period; T3 – an expiry date of the third coupon period.</p> <p>The size of coupon income for the third coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
--	--	---

4. Coupon: The interest rate on the fourth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers “Vedomosti” or “Izvestiya” not

later than 10 (ten) working days prior to the date of the second coupon payment.

<p>Launch date of the fourth coupon is 546-th day from the first day of the bond placement.</p>	<p>Expiry date of the fourth coupon is the launch date of the fifth coupon being the 728th day from the first day of the bond placement.</p>	<p>The size of the fourth coupon income per one Bond is determined according to the following formula: $KD = C4 * N * (T4 - T3) / (365/100 \%)$, Where, KD - size of the coupon income on each Bond .; N - face-value of one Bond ; C4 - the size of the interest rate of the fourth coupon, in percentage annual; T3 - a launch date of the fourth coupon period; T4 – an expiry date of the fourth coupon period.</p> <p>The size of coupon income for the fourth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).the interest rate for the first coupony.</p>
---	---	---

5. Coupon: The interest rate on the fifth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers “Vedomosti” or “Izvestiya” not later than 10 (ten) working days prior to the date of the fourth coupon payment.

<p>Launch date of the fifth coupon is 728-th day from the first day of the bond placement.</p>	<p>Expiry date of the fifth coupon is the launch date of the sixth coupon being the 910th day from the first day of the bond placement.</p>	<p>The size of the fifth coupon income per one Bond is determined according to the following formula: $KD = C5 * N * (T5 - T4) / (365/100 \%)$, Where, KD - size of the coupon income on each Bond .; N - face-value of one Bond ; C5 - the size of the interest rate of the fifth coupon, in percentage annual; T4 - a launch date of the fifth coupon period; T5 – an expiry date of the fifth coupon period.</p> <p>The size of coupon income for the fifth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
--	--	--

6. Coupon: The interest rate on the sixth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers “Vedomosti” or “Izvestiya” not later than 10 (ten) working days prior to the date of the fourth coupon payment.

<p>Launch date of the sixth coupon is 910-th day from the first day of the bond placement.</p>	<p>Expiry date of the sixth coupon coincides with the maturity date and is the 1092nd day from the first day of the bond placement.</p>	<p>The size of the sixth coupon income per one Bond is determined according to the following formula: $KD = C6 * N * (T6 - T5) / (365/100 \%)$, Where, KD - size of the coupon income on each Bond .; N - face-value of one Bond ; C6 - the size of the interest rate of the sixth coupon, in</p>
--	--	---

		<p>percentage annual; T5 - a launch date of the sixth coupon period; T6 – an expiry date of the sixth coupon period.</p> <p>The size of coupon income for the sixth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
--	--	---

9.4. Order and term of payment of the income on bonds including order and term of payment of the income on each coupon period.

Coupon period		Period(date) of coupon income payment	Date of making up the list of Bond owners for payment of coupon income
Launch date	Expiry date		

1. Coupon: Annual interest rate on the first coupon is to be fixed during the auction on the launch day of the bond placement

Launch date of the first coupon is the first day of the bond placement.	Expiry date of the first coupon is the launch date of the second coupon being the 182 nd day from the first day of the bond placement.	Date of the first coupon income payment is the 182 nd day from the first day of the bond placement.	Payment of coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before the date of payment of the coupon income on Bonds (hereinafter – Date of making a List of Bond owners and/or Bond nominal Holders).
---	---	--	--

Procedure of Coupon Yield payment:

Payment of the coupon yield on the Bonds is effected by a payment agent upon instructions and at the expense of the Issuer. Payment of the Bond yield is effected in the currency of the Russian Federation in the non-cash order for the benefit of owners of Bonds. It is presumed that a nominal bond holder who is a depositor of NDC is authorized to receive amounts from the Bond yield (coupon) payment.

Bond Owners, their authorized persons including depositors of NDC independently control the completeness and actuality of the data provided by them to the Depository and bear all the risks related to non-provision/untimely provision of such information. Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of the NDC's data. In cases stipulated by the Agreement with NDC the Issuer is entitled to demand confirmation of such data by information from the Register.

Coupon income payment is made for the benefit of owners of the Bonds being those as of the end of working hours of NDC, previous to the seventh business day before the date of the coupon payment. Obligations on coupon income payment are executed by the Issuer on the basis of the List of owners and/or Holders of Bonds presented by NDC.

Not later than 6 (six) working days prior to the date of coupon income payment NDC depositor who is not authorized by the clients to receive amounts from coupon income on the Bonds shall provide NDC with the List of the Bond owners including all the essential elements mentioned below in the List of the Bond Owners and/or

Nominal Holders.

Execution of obligations in relation to the Bond owner being those at the date of making up a list of owners and Holders of Bonds declares appropriate including in case of alienation of Bonds after Date of making up a list of owners and Holders of Bonds.

Not later than 4 (four) working days prior to the date of coupon income payment NDC provides the Issuer and the Payment agent with the List of owners and Holders of the Bonds, made on the Date of making up the list of owners and Holders of Bonds including the following data:

a) A full name of the person, authorized to receive the coupon income sums under Bonds.

If Bonds are transferred by the owner to the Holder and the Holder is authorized to receive the sums of coupon income under Bonds, the full name of the Holder shall be specified. If Bonds have not been transferred to the Holder and-or the Holder is not authorized by the owner to get the sums of coupon income under Bonds, the full name of the owner of Bonds (First name, middle initial, last name the owner - for the physical person) shall be specified:

b) Number of the Bonds on the account of depot of the owner or inter-deposit account of depot of the Holder of Bonds, authorized to receive the sums of coupon income under Bonds;

c) Location and postal address of the person, authorized to receive the sums of coupon income under Bonds;

d) The name and essential elements of the bank account of the person, authorized to receive the sums of coupon income under Bonds, namely:

- Number of the account;

- The name of bank in which the account is open;

- The correspondent account of bank in which the account is open;

- Bank identification code (BIK) of bank in which the account is open;

e) Tax-payer's Identification number (TIN) of the person, authorized to receive the sums of coupon income under Bonds;

f) The tax status of the person authorized to receive the sums of coupon income under Bonds.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, the Issuer bears no responsibility for untimely or undue execution of obligations on coupon income payment on Bonds. It is the Owner of Bonds who takes the risks of damages in case of untimely or incomplete submission of the above mentioned data.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of the NDC's data.

On the basis of the list of Bond Owners and Holders, provided by NDC, the Payment Agent calculates the amounts of money to be paid to each person authorized to receive Bond coupon income amounts.

Not later than 3 (three) working day before the date of coupon income payment under Bonds, the Issuer transfers the appropriate money to the Payment Agent's account.

As at the date of coupon income payment the Payment Agent transfers the appropriate money to accounts of the persons authorized to get the sums of coupon income under Bonds for the benefit of the Bond Owners.

If one person is authorized to receive Bond coupon income amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation, the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.

2. Coupon: The interest yield for the second coupon will be equal to the interest rate for the first coupon

Launch date of the second coupon is 182-nd day from the first day of the bond placement.	Expiry date of the second coupon is the launch date of the third coupon period being the 364th day from the first day of the bond placement.	Date of the second coupon income payment is the 364th day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on
--	--	---	--

			Bonds.
Procedure of coupon income payment: Procedure of the second coupon income payment is the same as that of the first coupon income payment.			

3. Coupon: The interest rate on the third coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the second coupon payment.

Launch date of the third coupon is 364 th day from the first day of the bond placement.	Expiry date of the third coupon is the launch date of the fourth coupon period being the 546 th day from the first day of the bond placement.	Date of the third coupon income payment is the 546 th day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
Procedure of coupon income payment: Procedure of the third coupon income payment is the same as that of the first coupon income payment.			

4. Coupon: The interest rate on the fourth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the second coupon payment.

Launch date of the fourth coupon is 546 th day from the first day of the bond placement.	Expiry date of the fourth coupon is the launch date of the fifth coupon period being the 728 th day from the first day of the bond placement.	Date of the fourth coupon income payment is the 728 th day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
Procedure of coupon income payment: Procedure of the fourth coupon income payment is the same as that of the first coupon income payment.			

5. Coupon: The interest rate on the fifth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the fourth coupon payment.

Launch date of the fifth coupon is 728 th day from the first day of the bond placement.	Expiry date of the fifth coupon is the launch date of the sixth coupon period being the 910 th day from the first day of the bond placement.	Date of the fifth coupon income payment is the 910 th day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
Procedure of coupon income payment: Procedure of the fifth coupon income payment is the same as that of the first coupon income payment.			

6. Coupon: The interest rate on the sixth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" or "Kommersant" or any other mass media not later than 10 (ten) working days prior to the date of the fourth coupon payment.

Launch date of the sixth coupon is 910 th day from the first day of the bond placement.	Expiry date of the sixth coupon coincides with the maturity date and is the 1092 nd day from the first day of the bond placement.	Date of the sixth coupon income payment is the 1092 nd day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
Procedure of coupon income payment: Procedure of the sixth coupon income payment is the same as that of the first coupon income payment. List of the Bond owners and nominal holders made up for Bonds redemption is used for the sixth coupon income payment. Income under the sixth coupon is paid simultaneously with repayment of Bonds			

9.5. Possibility and conditions of Bond redemption before maturity.

Bond redemption before maturity is not provided by the Decision on bond issue and the Prospectus on the bond issue.

9.6. Data on Payment Agents

Coupon (interest) yield and the redemption sums under the Bonds shall be paid by the Issuer through its Payment agent.

Full registered name: *Joint-stock commercial bank " ROSBANK " (open joint-stock company)*

Abbreviated name: *OJSC AKB " ROSBANK "*

Location: *11, Masha Poryvaeva Str., Moscow, 107078*

Postal address: *mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078*

Date of the General license for realizing banking transactions: *January 27, 2003*

Number of the License: *2272*

The licensing body: *Central Bank of the Russian Federation (Bank of Russia)*

Duties and functions of the Payment agent:

A Payment agent operates under the Agreement "On Payment Agent" with the Issuer. Pursuant to the Agreement the payment agent is obliged:

1. To transfer money on behalf and at the expense of the Issuer to the persons specified in the List of Bond owners and Holders entitled to receive coupon income/amounts of repayment as well as to consult the Issuer on its request on preparation of documents necessary for execution by the issuer of its obligations on coupon income payments and repayment of the bond issue par value.

2. To inform the Issuer on the made payments on the following working day from the date of coupon income or redemption sums payment.

The Issuer is entitled to appoint additional and other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in the newspapers "Vedomosti" or

"Izvestiya" not later than 10 (ten) working days prior to such actions.

9.7. Description of actions of the Bond owners in case the Issuer fails to execute its obligations under bonds as well as procedure of disclosing the information on default or undue execution of obligations on repayment and payment of income under bonds.

In compliance with articles 810 and 811 of the Civil Code of Russia, the Issuer is obliged to repay the bond face value to the owners during retirement and to pay the coupon yield under the Bonds in time and order prescribed by the terms and conditions of the Decision on the Bonds issue and the Prospectus on the bond issue.

Default of obligations of the Issuer under Bonds is the essential breach of the conditions of the concluded contract of debt (default) in case of:

- *Delay in execution of the obligation on payment of the next interest (coupon) payment under the Bond for the term of more than 7 days or refusal to fulfill the specified obligation;*
- *Delay in execution of the obligation on payment of the sum of the basic debt under the Bond for the term of more than 30 days or refusal to fulfill the specified obligation.*

Execution of the corresponding obligations with delay, however during the above-stated periods, makes a technical default.

In case of default or technical default under Bonds owners and-or nominal holders of Bonds are entitled to appeal to the person giving security for Bond issue ("Underwriter") under the conditions of irrevocable offer on the conclusion of the contract of guarantee for the purposes of the Bond Issue.

In case of default or technical default under Bonds, execution of obligations of the Issuer before the owners of Bonds on payment of Bond par value and-or the coupon income under Bonds is provided by the Company with limited liability "UTK-Finance" (hereinafter referred to as "Underwriter") in the order stated in item 12.2. of the Decision on bond issue and item 56.14. of the Prospectus on the bond issue.

Within 5 (five) days from the date of default or technical default the Issuer is obliged to publish the following information in "The Supplement to the Bulletin of the Federal Commission for Securities Market of Russia " and the newspaper "Vedomosti" or "Izvestiya":

- *Volume of not executed obligations;*
- *The reason of default of obligations;*
- *Possible actions of the owners of Bonds on satisfaction of their requirements.*

According to the Item 395 of the Civil Code of the Russian Federation, in case of default or technical default under Bonds the Issuer shall pay interest for failure to pay the amounts in time to owners of Bonds simultaneously with payment of the due sums.

In case of default or technical default under Bonds owners of Bonds can address the court with the claim. Owners of Bonds - natural persons can go to the court of the general jurisdiction at the place of the sued party's location, legal persons - owners of Bonds, can address the Arbitration court of Moscow. The Issuer and-or the Underwriter can be sued in the court of general jurisdiction or arbitration court within general limitation period of 3 years.

The general limitation period is established as 3 years according to article 196 of the Civil code of the Russian Federation. Pursuant to article 200 of the Civil code of the Russian Federation the limitation period starts on the day when a person has found out or should have found about violation of his right. Jurisdiction of civil cases to courts is established by article 22 of the Civil Code of Practice of the Russian Federation. According to the specified article courts of the general jurisdiction try and resolve cases with participation of citizens, organizations, state and local authorities related to protection of the violated or challenged rights, freedoms and legitimate interests, on the disputes arising from civil, family, labour, housing, ground, ecological and other legal relations.

Jurisdiction of cases to arbitration court is established by article 27 of the Arbitration Code of Practice of the Russian Federation. According to the specified article arbitration courts try cases on

economic and other business activities. Arbitration courts resolve economic disputes and try other cases with participation of organizations being legal persons, citizens having the legal status of individual entrepreneurs, and in the cases stipulated by the Civil Code and other federal laws, with participation of the Russian Federation, subjects of the Russian Federation, municipal unions, state and local authorities, other bodies, officials, unions not having the status of legal person, and the citizens not having the status of the individual entrepreneur.

10. Data on bonds' acquisition.

Possibility, procedure and conditions of bonds' acquisition by the Issuer:

The Issuer is entitled to buy Bonds from their owners with a possibility of their further circulation till the maturity date.

Bond acquisition by the Issuer cannot start before the date of the state registration of the Report on results of Bond Issue.

The Issuer undertakes to acquire all Bonds on demand of owners of Bonds, who submitted orders for Bonds acquisition following the procedure prescribed by the Decision on bond issue and the Prospectus of Bonds, within last 7 (Seven) days of the second and fourth coupon periods under Bonds (hereinafter referred to as - "Periods of submission of orders for the bond acquisition by the Issuer").

The Issuer shall acquire Bonds on demand of owners of Bonds in the following order:

a) During the period of time starting from the 1-st (First) day of the corresponding Period of submission of orders for the bond acquisition by the Issuer and ending on the last day of the given Period of submission of orders for the bond acquisition by the Issuer the owner of Bonds shall send a notice in writing to the Agent of the Issuer (OJSC AKB "ROSBANK") on intention to sell to the Issuer the certain number of Bonds on the conditions stated in the Decision on bond issue and the Prospectus of Bonds according to the form specified in subitem "d" of the present item (hereinafter referred to as - "Notice"). The notice should be received in any of the days included in the corresponding Period of submission of orders for the bond acquisition by the Issuer. The notice can be send by registered mail or urgent express service to the address: m/b 208, 11, Masha Poryvaeva str., Moscow, 107078 for the Securities Department. The notice should also be send to the Agent of the Issuer by fax (0957252405 for the Securities Department in any of the working days included in the corresponding Period of submission of orders for the bond acquisition by the Issuer.

The notice is considered received by the Agent: if delivered by registered mail or handed personally - from the date of the mark about delivery of the original of the addressee, if delivered by fax - from the moment the sender's fax machine receive the confirmation about reception of the Notice by the addressee.

b) Bonds shall be acquired by the Issuer at the date of acquisition which is to be determined as follows (hereinafter referred to as - "Date of acquisition"):

Date of acquisition for the second coupon period is determined as the latest of the two dates:

- Date of the second coupon income payment;

- The 5-th (Fifth) working day from the date of receipt of the Notice by the Agent of the Issuer.

Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - "the Price of acquisition") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated third coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 61 of the Prospectus of Bonds and paid in addition.

Date of acquisition for the fourth coupon period is determined as the latest of the two dates:

- **Date of the fourth coupon income payment;**
- **The 5-th (Fifth) working day from the date of receipt of the Notice by the Agent of the Issuer.**

Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated fifth coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 61 of the Prospectus of Bonds and paid in addition.

If the Date of acquisition of Bonds happens to be week-end, holiday or any other day off in the Russian Federation , the transactions of purchase and sale of Bonds shall be concluded on the first business day after the day off.

c) After sending the Notice specified in subitem "a" of item 56.13. of the Prospectus on the bond issue and subitem "a" of item 10 of the Decision on bond issue the owner of Bonds being the Member of the MICEX Stock market Section, or the broker - Member of the MICEX Stock market Section operating on behalf and at the expense of the owner of Bonds not being the Member of the MICEX Stock market Section, submits the target order for sale of Bonds through the Trading System of the MICEX Stock market Section according to the MICEX Trading Rules and other bylaws of the MICEX Stock market Section(hereinafter referred to as - " Rules of the Section ") to the Agent of the Issuer being a member of the MICEX Stock market Section, with indication of the price determined in subitem "b" of the present item, number of Bonds to be sold by the owner of Bonds and T0 accounting code.

The order shall be submitted to the Trading System from 11:00 a.m. to 03:00 p.m. Moscow time on the corresponding Date of acquisition of Bonds. The number of Bonds specified in the order shall not exceed the number of Bonds specified in the Notice sent by the owner of Bonds according to item 56.13. of the Prospectus on the bond issue and item 10 of the Decision on bond issue.

If the owner of Bonds is not a Member of the MICEX Stock market Section, he shall conclude the corresponding Agreement with any broker being the Member of the MICEX Stock market Section and give the specified broker instructions on sale of Bonds.

According to the conditions of Bonds acquisition by the Issuer the extract from the Register of the trades made up as corresponding appendix to the MICEX Trading Rules and certified by the MICEX authorized signature shall be considered sufficient evidence of submitting the order for sale of Bonds.

d) The notice on the intention of the owner of Bonds to sell to the Issuer a certain number of Bonds shall be made under the following form:

Hereby _____ (First name, middle initial, last name of the owner of Bonds - for the natural person, the full name of the owner of Bonds - for the legal person) notifies on the intention to sell to Public joint-stock company " Southern telecommunications company " series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, state registration number _____, owned by _____ (First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person) according to the conditions set forth in the Prospectus of Bonds and Decisions on the bond issue.

First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person:

_____ of _____ Bonds - for _____ the legal person:

Number of Bonds offered for sale (figures and in words).

The name of the Member of the MICEX Stock market Section who on behalf and at the expense of the owner of Bonds will submit the order for sale of Bonds to the Agent of the Issuer in the MICEX Trading

System, on the corresponding Date of acquisition of Bonds (if the owner of Bonds is not a Member of the MICEX Stock market Section)

The signature of the owner of Bonds

Seal of the owner of Bonds - for the legal person.

Date of Bond acquisition or the procedure of its determination:

Date of Bond acquisition by the Issuer cannot be prior to the date of the state registration of the Report on the results of the bond issue by the Federal Commission for Securities Market of Russia and the launch date of the secondary circulation of the Bonds.

The Issuer undertakes to acquire all Bonds on demand of owners of Bonds, who submitted orders for Bonds acquisition following the procedure prescribed by the Decision on bond issue and the Prospectus of Bonds, within last 7 (Seven) days of the second and fourth coupon periods under Bonds.

Bonds shall be acquired by the Issuer on the Date of acquisition which is to be determined as follows:

Date of acquisition for the second coupon period is determined as the latest of the two dates:

- **Date of the second coupon income payment;**
- **The 5-th (Fifth) working day from the date of receipt of the Notice by the Agent of the Issuer.**

Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated third coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 61 of the Prospectus of Bonds and paid in addition.

Date of acquisition for the fourth coupon period is determined as the latest of the two dates:

- **Date of the fourth coupon income payment;**
- **The 5-th (Fifth) working day from the date of receipt of the Notice by the Agent of the Issuer.**

Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated fifth coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 61 of the Prospectus of Bonds and paid in addition.

If the Date of acquisition of Bonds happens to be week-end, holiday or any other day off in the Russian Federation , the transactions of purchase and sale of Bonds shall be concluded on the first business day after the day off.

Procedure of disclosing the information on Bond acquisition:

Not later than 10 (ten) working days from the date of the second coupon income payment the Issuer shall publish in newspapers "Vedomosti" or "Izvestiya" the following data:

- **The size of interest rates under the third and fourth coupons;**
- **The size of the coupon income to be paid per one Bond, under the third and fourth coupons;**
- **The procedure and the price of Bonds acquisition, number of Bonds to be acquired (up to 100 % of the placed Bonds), form and term of payment as well as the date of Bonds acquisition.**

Not later than 10 (ten) working days from the date of the fourth coupon income payment the Issuer shall

publish in newspapers "Vedomosti" or "Izvestiya" the following data:

- The size of interest rates under the fifth and sixth coupons;***
- The size of the coupon income to be paid per one Bond, under the fifth and sixth coupons;***
- The procedure and the price of Bonds acquisition, number of Bonds to be acquired (up to 100 % of the placed Bonds), form and term of payment as well as the date of Bonds acquisition.***

The Decision on bond issue does not admit the Bonds acquisition upon agreement with their owners, that is why information on the procedure of taking decision on the Bond acquisition by the Issuer is not provided.

11 Procedure of disclosing the information on Bond Issue by the Issuer.

1. Not later than 5 (five) business days from the date of approval of the Resolution on Bond placement by the Issuer's authorized body the Issuer shall make publication in the "Supplement to the Bulletin of the FCSM of Russia" and in the newspapers "Vedomosti" or "Izvestiya" containing the information on this resolution including the name of the body which has approved the decision, date of the meeting, exact wording of the adopted decision, quorum of the meeting and the voting results.

2. Not later than 5 (five) days from the moment of occurrence of the essential fact confirming the approval of the Decision on Bond issue by the authorized body of the Issuer the Issuer shall make publication in the "Supplement to the Bulletin of the FCSM of Russia" and in the newspaper "Vedomosti" or "Izvestiya" containing the information on this resolution including the name of the body which has approved the decision, date of the meeting, exact wording of the adopted decision, quorum of the meeting and the voting results.

3. Within 5 (five) days from the date of the state registration of Bond Issue the Issuer shall publish in the "Supplement to the Bulletin of the FCSM of Russia" and the newspapers "Vedomosti" or "Izvestiya" the following information:

- Name of the Issuer, its location and postal address;***
- Type and form of the bonds being placed;***
- Number of the bonds being placed;***
- Terms and conditions of the bond placement;***
- Date and number of the state registration of the bond issue;***
- Name of the body which has made the state registration of the Bond issue, its location;***
- place and procedure of familiarization with the Decision on bond issue and the Prospectus on the bond issue;***
- undertaking obligations by the Issuer on the information disclosure in the form of the Issuer's quarterly report and reports on material facts affecting the Issuer's economic and financial activity in cases and in order set forth by the statutory acts of the FCSM;***
- Access to the information contained in the registered Report on the results of the Bond issue***

4. Since the date of publication of the notice on the state registration of the Bond issue and on the procedure of disclosing information on securities issue, all interested parties can familiarize themselves with the Decision on Bond issue and the Prospectus of Bonds at the following addresses:

Public Joint –Stock Company " Southern Telecommunications Company "

Location: 66, Karasunskaya Str., Krasnodar, 350 000, Russia

Postal address: 66, Karasunskaya Str., Krasnodar, 350 000, Russia

Phones: (8612) 53-20-56

Web-site: www.stcompany.ru

OJSC AKB " ROSBANK "

Location: 11, Masha Poryvaeva Str., Moscow, 107078

Postal address: mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078

Phone: (095) 234-90-82, 208-90-38

5. Not later than on the 5 (fifth) working day prior to the launch date of Bond placement and after the date of the state registration the Issuer shall publish the report on such date in the newspapers "Vedomosti" or "Izvestiya".

6. Within a month from the date of approval of the results of the Bond placement by the Issuer the Issuer shall publish in the "Supplement to the Bulletin of the FCSM of Russia" and in the newspapers "Vedomosti" or "Izvestiya" the following information:

- name of the Issuer;

- name of the Issuer's authorized body who has approved the results of the Bond placement and date of the approval;

- type and form of the placed Bonds;

- number of the placed Bonds.

7. Within 5 days from the date of the state registration of the Report on the results of the Bond issue by the FCSM of Russia the Issuer shall publish the announcement on registration of the Report in the "Supplement to the Bulletin of the FCSM of Russia", newspapers "Vedomosti" or "Izvestiya".

8. Starting from the date of publication of the notice on the state registration of the Report on results of Bond issue by the Issuer, all interested parties can familiarize themselves with the Report on results of the Bond issue and get a copy of the Report at the following addresses:

Public Joint –Stock Company “ Southern Telecommunications Company ”

Location: 66, Karasunskaya Str., Krasnodar, 350 000, Russia

Postal address: 66, Karasunskaya Str., Krasnodar, 350 000, Russia

Phones: (8612) 53-20-56

Web-site: www.stcompany.ru

OJSC AKB " ROSBANK "

Location: 11, Masha Poryvaeva Str., Moscow, 107078

Postal address: mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078

Phone: (095) 234-90-82, 208-90-38

9. Not later than 10 (ten) working days from the date of the second coupon income payment the Issuer shall publish in newspapers "Vedomosti" or "Izvestiya" the following data:

- The size of interest rates under the third and fourth coupons;

- The size of the coupon income to be paid per one Bond, under the third and fourth coupons;

- The procedure and the price of Bonds acquisition, number of Bonds to be acquired (up to 100 % of the placed Bonds), form and term of payment as well as the date of Bonds acquisition.

10. Not later than 10 (ten) working days from the date of the fourth coupon income payment the Issuer shall publish in newspapers "Vedomosti" or "Izvestiya" the following data:

- The size of interest rates under the fifth and sixth coupons;

- *The size of the coupon income to be paid per one Bond, under the fifth and sixth coupons;*
- *The procedure and the price of Bonds acquisition, number of Bonds to be acquired (up to 100 % of the placed Bonds), form and term of payment as well as the date of Bonds acquisition.*

11. In case of default or technical default of the Issuer's obligations on Bonds the Issuer shall publish the following information in the "Supplement to the Bulletin of the FCSM of Russia", newspapers "Vedomosti" or "Izvestiya" within 5 (five) days after the default or technical default:

- *Volume of not executed obligations;*
- *Reason of default of obligations;*
- *List of possible actions of Bond owners aimed at satisfaction of their demands.*

12. Not later than 5 (five) days from the moment of occurrence of the essential fact affecting financial and economic activity of the Issuer and related to the Bond issue, the information on such fact shall be published by the Issuer in the "Supplement to the Bulletin of the FCSM of Russia" or other printing edition.

13. The Issuer can appoint additional and other payment agents and cancel such appointments. Report on such actions shall be published by the Issuer within 10 (ten) working days before the date of such appointments or their cancellation in the newspapers "Vedomosti" or "Izvestiya".

12. Data on Security for the Bonds of the Issue

12.1. Data on the person providing security for the bond issue

Person providing security:

Full registered name: *Company with Limited Liability "UTK-Finance "*

Abbreviated name: *"UTK-Finance " Ltd*

TIN: *2308090843*

OGRN: *1032304152220*

Location: *212, Moskovskiy pr., Saint Petersburg, 196066*

Postal address: *67, Gagarin Str., Krasnodar, 350062*

Kind of security:

Underwriting

Size of security (RUR): *Total par value of the Bonds amounting to 1 500 000 000 (one billion five hundred million) rubles and the cumulative coupon income under Bonds.*

The size of commitments secured by the Underwriter can not exceed 2 400 000 000 (Two billion four hundred million) rubles.

12.2. Terms of underwriting and procedure of exercising by Bond owners their right on provided security:

Item 12.2 of the Decision on Bond Issue and item 56.14 of the Prospectus on the bond issue represent the offer of the Underwriter to conclude the contract of guarantee on the stated conditions (hereinafter referred to as - "Offer").

By this Offer the Underwriter undertakes to assume liability before the buyers of the bonds (hereinafter referred to as – Owners of the bonds) under the Issuer's obligations to pay total par value of the Bond issue amounting to RUR 1.5 billion as well as cumulative coupon income under Bonds (hereinafter referred to as - Obligations) in the order set forth in the Decision on bond issue and the Prospectus of Bonds, aimed at due execution by Public Joint –Stock Company "UTK" (hereinafter referred to as - the Issuer) obligations under series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, total amount of 1 500 000 (one million five hundred thousand) bonds with face value of 1000 (one thousand) rubles each (hereinafter referred to as – Bonds).

The Underwriter and the Issuer carry joint liability before Owners of Bonds under Obligations.

The size of commitments secured by the Underwriter can not exceed 2 400 000 000 (Two billion four hundred million) rubles. The Underwriter shall not be responsible for compensation of the Owners' legal costs incurred during the arbitration and other losses of Owners and / or penalties caused by default or inadequate execution by the Issuer of its obligations on payment of par value of Bonds and / or coupon income under Bonds.

The Underwriter shall execute the Obligations if all the following conditions are present at the same time:

- A Bond Owner or a person properly authorized by the Owner have submitted a Claim on execution of the corresponding Obligation to the Underwriter (hereinafter referred to as - the Claim);

- The Claim shall contain:

(a) Nature of Obligations that were not fulfilled by the Issuer before the Owner;

(b) The size of non-fulfilled Obligations of the Issuer before the Owner;

(c) The full registered name (First name, middle initial, last name - for the natural person) of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);

(d) The location of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);

(e) For the natural person - a series and number of the passport, date of issue and issuing body;

(f) Name of the country where the Owner is a tax resident;

(g) Number of Bonds owned by the Owner under which payments are to be made; and

(h) Essential elements of the bank account of the Owner or the person, authorized to receive payments under Obligations;

- The following documents should be enclosed to the Claim:

(a) A copy of an extract from the account of depot of the owner of Bonds certified by the Depository recording the rights under Bonds with indication of the number of the Bonds belonging to the Owner, or other document confirming the rights of the Owner on the Bonds;

(b) duly executed according to the effective legislation of the Russian Federation documents confirming powers of the authorized person (in case of submission of the Claim by the authorized person of the owner of Bonds);

- The Claim shall be signed by the Owner or the person, authorized to receive payments under Obligations. If the Claim is submitted by the legal person, it should contain a seal of this legal person.

Claims can be submitted to the Underwriter during two years from the Maturity date of the Bond issue fixed in the Decision on bond issue and the Prospectus of Bonds.

The Underwriter shall make the corresponding payments on the account specified in the Claim not later than 30 (Thirty) days from the date of the receipt of the Claim.

Acquisition of Bonds means the acceptance of the Offer, namely, the conclusion of the contract of guarantee between the buyers of the Bonds and the Underwriter on the conditions stated above. The specified contract of guarantee is considered concluded from the moment of obtaining the property rights on Bonds by the first Owner, at that, the written form of the contract of guarantee is considered observed. Rights under the specified contract of guarantee shall be transferred to a purchaser together

with other rights on Bonds in the same volume and on the same conditions which exist at the moment of transferring such rights. Transfer of the rights arising from the specified contract of guarantee is declared invalid without transfer of the rights under the Bonds.

The Offer is irrevocable.

Any dispute arising out of the given Offer and the contract of guarantee concluded by means of the acceptance of the Offer shall be settled by Arbitration court of Moscow or in the court of the general jurisdiction at the place of the sued party residence.

Terms of underwriting are regulated and subject to interpretation according to the legislation of the Russian Federation.

13. The Issuer undertakes to ensure the rights of Bond Owners, provided they observe the procedure for exercising such rights, established by the laws of the Russian Federation .

14. In case the Issuer fails to execute its obligations on Bonds or delays the execution of such obligations the Underwriter – Company with Limited Liability “UTK-Finance” - undertakes to ensure fulfillment of the Issuer’s obligations before the Owners of Bonds on the conditions of the underwriting.

15. Other data stipulated by Standards of issue of bonds and their prospectuses of issue.

1. Bonds are permitted to freely circulate in stock- exchange and over the counter markets.

Non-residents can acquire Bonds according to the current legislation and statutory acts of the Russian Federation.

Circulation of Bonds in the secondary market begins on the first calendar day following the date of the state registration of the report on results of Bond Issue by FCSM of Russia. In the over the counter market bonds are to be circulating without restrictions up to the Maturity Date.

Transactions with bonds in the Moscow Interbank Stock Exchange stop on the day following the Date of drawing up the list of owners and Holders of Bonds for payment of the coupon income on each coupon (except for the last one), and resume on the day of payment of the corresponding coupon income.

Transactions with bonds in MICEX cease on the day following the Date of drawing up the list of owners and Holders of Bonds for payment of the last coupon income and repayment of the present Bond Issue.

2. The accumulated coupon income on Bonds (NKD) shall be calculated by the following formula:

$$NKD = C_j * N * (T - T_{j-1}) / 365/100 \%,$$

Where

NKD - accumulated coupon income under each Bond;

N - a face-value of one Bond;

j- serial number of the coupon period, j=1,2,3,4,5,6;

C_j - coupon income rate under Bonds in j-th period, annual interest rates;

T_{j-1}- expiry date of the coupon period with a serial number (j-1);

Expiry dates of the coupon periods are fixed by the Decision on bond issue and the Prospectus of Bonds.

T - the current date.

Amount of accumulated coupon income on one Bond is calculated to one kopeck (Methods of mathematical rounding are used, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).

Face side

FORM

Public Joint –Stock Company

"Southern Telecommunications Company" PJSC

Location: 66, Karasunskaya Str., Krasnodar, 350 000

Postal address: 66, Karasunskaya Str., Krasnodar, 350 000

C E R T I F I C A T I O N

upon series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody

total amount - 1 500 000 bonds with face value of 1000 rubles each
the maturity date - 1, 092nd (the one thousand and ninety-second) day from the start date of the bond placement by public offering.

State registration number of the Bond Issue _____ of _____, 2003

The present certification certifies the right for 1 500 000 (one million five hundred thousand) Bonds with face value of 1000 (one thousand) rubles each and total par value of 1 500 000 000 (one billion five hundred million) rubles.

Total amount of the Bond Issue having the state registration number _____ of _____ 2003 is 1 500 000 (one million five hundred thousand) Bonds with face value of 1000 (one thousand) rubles each and total par value of 1 500 000 000 (one billion five hundred million) rubles.

Public Joint –Stock Company "Southern Telecommunications Company" undertakes to ensure the rights of the Owners of Bonds, provided they observe the procedure for exercising such rights established by the legislation of the Russian Federation.

THE BONDS ARE TO BE DISTRIBUTED BY PUBLIC OFFERRING AMONG GENERAL PUBLIC

The present certification is subject to centralized custody in Non-commercial partnership "National Depository Center" (NDC) registered at the address: building 4, 1/13, Sredniy Kislovskiy pereulok, Moscow, 125009; which provides mandatory centralized custody of the certifications upon Bonds.

General Director (CEO) of Public Joint –Stock Company

"Southern Telecommunications Company" _____

September , 2003

V. L. Gorbachev

Seal

Chief Accountant of Public Joint –Stock Company

"Southern Telecommunications Company" _____

September , 2003

T. V. Rusinova

Seal

The bond issue is underwritten by a third party in accordance with conditions specified in the Decision on bond issue and the Prospectus on the bond issue.

Underwriting agent:

Company with Limited Liability "UTK-Finance"

Director of Company with Limited Liability "UTK-Finance" _____

September , 2003

I.I. Ignatenko

Seal

1. Kind, category (type), series of securities.

Kind of securities: *payable to bearer bonds*

Series: *02*

Full name of the bond issue: *series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody*

2. Form of the bonds.

certificated pay-to-bearer

3. Information on mandatory centralized custody.

The bond issue is subject to mandatory centralized custody.

Depository:

Full registered name: *Non-commercial partnership "National Depository Center"*

Abbreviated name: *NDC*

Headquarters: *building 4, 1/13, Sredniy Kislovskiy pereulok, Moscow, 125009*

INN: *7706131216*

License number: *177-03431-000100*

Date of license registration: *4.12.2000*

Valid till: *unlimited*

Registration authority: *FCSM of Russia*

Rights on all bonds of the issue are certified by a single Certification, form of which is enclosed in the Exhibit to the present Decision on bond issue and Prospectus on the Bond Issue (hereinafter referred to as the "Certification"). The Certification is subject to mandatory centralized custody in the Depository and cannot be handed to Owners of the Bonds. The Bond Owners are not entitled to demand the Certification be handed to them.

Rights on the Bonds and on the Bonds transfer including burden them with obligations are being registered and certified by Non-commercial partnership "National Depository Center" acting as Depository and other depositaries being depositors of the Depository (hereinafter referred to as the "Depository").

Rights on the Bonds are being certified by abstracts of depository accounts given by NDC and depositaries being depositors of NDC to the Holders of Bonds.

Rights on Bonds are considered transferred from the moment of entering by the Depository or the depositaries being depositors of NDC corresponding record under the depository account of the purchaser.

Bonds are to be written off the deposit accounts of the Depository after repayment of all Bonds at execution by the Issuer of the obligations on payment of the coupon income and the Bond par value.

The Certificate shall be cancelled after write-off of all Bonds from accounts of depot of owners and Holders of Bonds in the Depository.

The order of recording and transferring the rights on documentary securities with the mandatory centralized custody is regulated by the Federal law № 39-FZ "On Securities Market" of April 22, 1996, Regulations on depository activity in the Russian Federation, approved by the authorized resolution № 36 of the Federal Commission for Securities Market of Russia of October 16, 1997.

Pursuant to the Law " On Securities Market ":

- In case of custody of certificates of pay-to-bearer documentary securities and-or registration of the rights on such securities in the Depository, the right on pay-to-bearer documentary security shall pass to the purchaser at the moment of making entering record in the account of depot of the purchaser.

- The rights granted by securities pass to their purchaser from the moment of transition of the rights on these securities. In case of custody of certificates of pay-to-bearer documentary securities in Depositories, the rights granted by securities, shall be exercised on the basis of certificates presented by these Depositaries on behalf of the owners, the list of such owners being enclosed. In such case the Issuer ensures exercise of the rights on pay-to-bearer documentary securities to the person specified in this list.

- Should the data on the new owner of such security not been presented to the holder of the register of the given issue or the nominal holder of the security by the moment of closing the register for execution of the Issuer's obligations (including acquisition of income and others), execution of obligations in relation to the owner registered in the register at the moment of its closing shall be declared appropriate. The purchaser of the security bears the responsibility for the timely notification.

According to Regulations on depository activity in the Russian Federation, approved by the Decision of the Federal Commission for Securities Market № 36 of October, 16, 1997:

- Depository is obliged to provide custody of securities and (or) registration of rights on securities of each client (depositor) separately from securities of other clients (depositors) of the Depository, in particular, by opening of the separate account of depot for each client (depositor).*
- Records made by the Depository in relation to the rights on securities shall certify the rights on securities if not established otherwise judicially.*
- Depository is obliged to make transactions with securities of clients (depositors) only on behalf of these clients (depositors) or the persons authorized by them, including trustees of accounts, and in time, established by the Deposit Agreement.*

- *Depository is obliged to make records under the account of depot of the client (depositor) only at presence of the documents giving grounds for making such records in accordance with the Regulations on depository activity, other normative legal acts and the Deposit Agreement.*

The grounds for making records under the account of depot of the client (depositor) are the following:

1. order of the client (depositor) or the person authorized by him, including the trustee of the account, meeting the requirements stipulated in the Deposit Agreement;

2. if lapse of the right on securities is not a result of civil-law transactions - documents confirming transfer of the rights on securities according to the effective legislation.

- Depository is obliged to register the facts of burden of the securities with a pledge as well as other rights of the third parties in the order stipulated by the Deposit Agreement.

- Rights on securities which are registered by the Depository are deemed transferred from the moment of making the corresponding record in the account of depot of the client (depositor) by the Depository. However, if there is no such record in the account of depot, the interested person shall be entitled to prove his rights on the securities on the basis of other proofs.

4. Face value of each bond of the issue.

RUR 1 000

5. Number of the bonds of the issue

1 500 000

6. Total number of the bonds of the issue that have already been placed

(to be specified in case of additional bond issue)

The bonds of the issue have not been placed previously.

7. Rights granted by each security of the issue to their owners:

Series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody (hereinafter referred to as "Bonds", "Bonds Issue" and "Bond", "Bond Issue") are direct and pure obligations of "Southern Telecommunications Company" PJSC (hereinafter referred to as "Issuer").

Each bond shall grant its holder equal scope of rights.

1. A Bond holder is entitled to get the face value of the Bond when the Bond is retired.

2. A Bond holder is entitled to get the interest of the Bond face value (coupon yield), fixed in the Bond, the procedure of determining such interest being described in paragraph 9.3 of the decision on the bond issue.

3. A Bond holder is entitled to demand repayment of Bonds by the Issuer in cases and on terms specified by the Decision on the bond issue and the Prospectus on Bonds.

If the Issuer refuses to fulfill its obligations on bond issue in order and terms specified by the Decision on the bond issue, a Bond holder is entitled to advance a claim to the Issuer in the arbitration court.

4. In case of non-fulfillment by the Issuer of obligations under Bonds or delay in their fulfillment (a default, a technical default) security in the form of underwriting is provided according to item 9.7. and item 12.2. of the Decision on bond issue and item 56.11. and item 56.14 of the Prospectus on the bond issue. The Underwriter carries liability before Bond owners under obligations of the Issuer to pay total par value of the Bonds amounting to 1.5 billion rubles and the cumulative coupon income under Bonds. The size of commitments secured by the Underwriter can not exceed 2400000000 (Two billion four hundred million) rubles. The Underwriter shall not be responsible for compensation of the Owners' legal costs incurred during the arbitration and other losses of Owners and / or penalties caused by default or inadequate execution by the Issuer of its obligations on payment of par value of Bonds and / or coupon income under Bonds.

The owner of Bonds is entitled to make claims to the company with limited liability "UTK-Finance" in accordance with the conditions of underwriting specified in item 12.2. of the Decision on bond issue and item 56.14. of the Prospectus on the bond issue. Rights on the Bond are transferred to the new owner (purchaser) together with all rights provided by the Underwriter.

5. A Bond Owner is entitled to return his investments in case the bond issue is declared ineffective or invalid in accordance with the legislation of the Russian Federation.

6. A Bond holder is entitled to exercise other rights provided for by the laws of the Russian Federation.

The Issuer undertakes to ensure the rights of Bond holders if they observe the rules of exercise of rights established by the legislation of the Russian Federation.

8. Conditions and Procedure of the bond placement.

8.1. Form of the bond placement.

Public offering

8.2. Terms of the bond placement.

Launch date of the placement, or the procedure of its determination:

The placement of Bonds shall be launched not earlier than two weeks after the disclosure of information on the state registration of the bond issue and provision easy access to the information on the bond issue to be made public in accordance with the Federal law "On Joint -Stock Companies" and other applicable acts of FCSM of Russia to all potential buyers of Bonds in order specified in item 11 of the Decision on bond

issue and item 56.1. of the Prospectus on the bond issue.

Within 5 (five) days from the date of the state registration of Bond Issue the Issuer shall publish in the "Supplement to the Bulletin of the FCSM of Russia" and in the newspaper "Vedomosti" or "Izvestiya" the following information:

- Name of the Issuer, its location and postal address;
- Type and form of the bonds being placed;
- Number of the bonds being placed;
- Terms and conditions of bonds' placement;
- Date and number of the state registration of the bond issue;
- name and location of the authorized body which has made the state registration;
- Place (places) and procedure of familiarization with the Decision on bond issue and the Prospectus of Bonds.
- undertaking by the Issuer obligations on disclosure of information in the form of a Issuer's quarterly report and reports on material facts (events and actions) affecting the Issuer's financial and economic activity in cases and in order prescribed by the normative acts of the FCSM of Russia;
- providing access to information contained in registered Report on the results of the bond issue.

Launch date of the Bond placement shall be established by the Issuer after the state registration of the bond issue and brought to the notice of potential buyers of Bonds not later than 5 (five) business day prior to the launch date of the placement through publication in the newspapers "Vedomosti" and/or "Izvestiya".

Expiry date of the placement, or the procedure of its determination:

Expiry date of the bond placement is one of the following dates that comes first: a) date of the placement of the last Bond of the issue; or b) 20-th (twentieth) business day after the launch day of the bond placement.

A that, the expiry date of the bond placement cannot be later than one year from the date of the state registration of the Bond issue.

8.3. Procedure of the bond placement

Procedure and conditions of the conclusion of transactions (procedure and conditions of submission and satisfaction of orders):

During the bond placement transactions will be concluded on the conditions of negotiable transactions in the Stock Market Section of MICEX by satisfying target orders for purchase/sale submitted to the Trading and clearing Systems of MICEX. Time of submission and satisfaction of orders is determined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and-or the Underwriter.

The financial consultant of the equity market who signs the Prospectus of Bonds, shall approve a register of orders for purchase of Bonds received during each day of the placement as well as final register of orders for purchase of Bonds upon termination of the placement made up by the Organizer of trade – Private Joint –Stock Company "Moscow Interbank Currency Stock Exchange " (hereinafter referred to as MICEX).

During the placement transactions are concluded through the organizer of trade- Private Joint –Stock Company "Moscow Interbank Currency Stock Exchange " (hereinafter referred to as MICEX).

The submitted orders for Bonds purchase shall be satisfied by the Underwriter in full if the number of Bonds specified in the order does not exceed the number of unplaced Bonds. If the number of Bonds indicated in the order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. The Underwriter shall satisfy the orders for Bonds purchase on a first-come basis. After placement of all bond volume the conclusion of transactions stops.

The order and conditions of civil agreements (the order and conditions of submission and satisfaction of orders) during the Auction on determination of the first coupon interest rate of the first coupon are described in the section " Conditions and procedure of the bond placement ".

Obligatory condition of Bonds acquisition at their placement is reservation of money resources of the buyer on the account of the Member of the stock market Section on behalf of which the order has been sent, in the MICEX Clearing house. The amount of the reserved money resource should be sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee. The potential buyer of Bonds should also open the account of depot in NDC or Depository, being the depositor in relation to NDC.

If the order conditions conform with the requirements specified in the Decision on bond issue and the Prospectus of Bonds, they are being registered in the MICEX and approved by the Underwriter.

The sold Bonds are to be transferred by the Depository to the accounts of depot of the bond buyers on the date of conclusion of the transactions.

The Bonds placement is performed by the conclusion of transactions of sale and purchase of Bonds in the MICEX Stock market Section through Trading and clearing Systems of MICEX in compliance with the Securities Trading Rules of MICEX effective as at the bond placement date.

Data on the organizer of trade in the equity market:

Full registered name: Closed joint-stock company "Moscow Interbank Currency Exchange"

Abbreviated registered name: CJSC "Moscow Interbank Currency Exchange" /MICEX.

Location: 13, Bolshoi Kisllovskiy per., Moscow

The conclusion of transactions on the Bond placement shall begin on the launch date of the Bond placement after the Auction on determination of the first coupon interest rate and end on the expiry date of the Bond placement.

The price of the placement in the first and the next days term of the bond placement is fixed at a rate of 100 (Hundred) percent of bonds par value.

Underwriter acts as an intermediary at the Bonds placement working on its own but on behalf of the Issuer.

If a potential buyer of the Bonds is not a member of the Stock Market Section of MICEX, he should conclude the contract with any broker being a member of the Stock Market Section of MICEX and instruct him on the Bond acquisition.

The potential buyer of Bonds who is a member of the Stock Market Section of MICEX shall operate independently.

The potential buyer of Bonds shall be obliged to open the account of depot in NDC or other Depository being the depositor in relation to NDC.

Annual interest rate on the first coupon is to be fixed during the auction held in the MICEX Stock market section The Auction shall start and end on the launch day of the bond placement. Time of fixing interest rate on the first coupon and conclusion of transactions is determined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and-or the Underwriter

On the date of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall submit orders for the Bond acquisition to the Underwriter through the trading system of MICEX. Each order shall include the interest rate under the first coupon at which potential buyers are ready to acquire the number of Bonds specified in the order. Interest rate on the first coupon specified in the order shall be expressed as annual interest rate to the 100-th share of percent.

By the beginning of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall have to reserve money resource, sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee.

The orders which do not conform with the above mentioned conditions are not allowed to take part in the Auction.

After the period of submission of the orders for the Auction expires, members of the Stock Market Section of MICEX cannot withdraw the submitted orders.

The Issuer shall not conclude transactions of sale and purchase of Bonds with interested motives which were not earlier approved in order established by the effective legislation and transactions with the persons specified in item 2.5.4. of the «Standards of securities issue and registration of prospectuses of securities» №03-30/nc of June 18, 2003. In this case the Underwriter shall not satisfy the order for purchase of bonds on the basis of the written application of the Issuer to the Underwriter (the order shall be rejected).

After the period of submission of the orders for the Auction expires, MICEX shall make a joint register of the submitted orders for the Issuer and the Financial Consultant.

Individual executive body of the Issuer shall make decision on the size of the annual interest rate under the first coupon on the basis of total number of the submitted orders and the interest rates on the first coupon indicated in them and inform the Underwriter and MICEX about it.

The Underwriter shall publish a notice on the size of the interest rate under the first coupon using MICEX Trading system by means of e-mail to all members of the MICEX Stock Market Section.

The submitted orders are to be satisfied only after the approval of the Register of the submitted orders for bonds purchase by the Financial Consultant.

The orders with the interest rate under the first coupon being equal or less than that specified by the Issuer's individual executive body shall be satisfied at the price of the bond placement constituting 100 (one hundred) percent of the bond face-value of Bonds starting from the orders having the minimal value of the interest rate of all submitted orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis.

After the Issuer fixes the interest rate under the first coupon on the first day of the bond placement the Underwriter on behalf of the Issuer shall satisfy orders for purchase of Bonds on the conditions and in order stated in the Decision on Bond Issue and the Prospectus of Bonds. All transactions of bond sale and purchase during their placement shall be concluded at the price of the Bond par value.

During the Auction the Underwriter shall satisfy the orders of the members of the Stock Market Section for Bonds acquisition in ascending order of the interest rate specified in such orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis. . If the number of Bonds indicated in the last order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. At that the order of the Members of the stock market Section for purchase shall be satisfied provided that the coupon rate specified in it is not higher than the rate on the first coupon specified in the counter order of the Underwriter. Unsatisfied during the Auction orders for bond purchase of the Members of the stock market Section are to be cancelled.

The interest rate under the first coupon having been fixed and the orders submitted during the Auction having been satisfied, the member of the MICEX Stock Market Section acting on its own behalf and at own expense, or on its own behalf, but for the account and on behalf of the potential buyers who are not the members of the MICEX Stock Market Section may submit orders for purchase of Bonds at the price of 100 percent of the bond par value at any working day during the period of placement with indication of the number of bonds to be acquired. Starting from the second day of the bond placement, the buyer shall pay accumulated coupon income under the Bonds calculated from the launch date of the Bond placement according to item 15 of the Decision on Bonds Issue and item 61 of the Prospectus of the Bonds.

Public Joint-Stock Company "Southern Telecommunications Company"
INN 2308025192

Transactions of sale and purchase of Bonds during the placement shall be concluded only after the Financial Consultant approves the Register of the submitted orders for bonds purchase formed by the MICEX.

During the placement bonds can not be acquired at the expense of the Issuer.

Priority of Bond acquisition during the placement is not provided.

The Company participating in the bond placement:

The bond issue is being placed through the following Financial Consultant of the stock market:

Full registered name: *Private Joint-Stock Company "Investment Company AVK "*

The abbreviated name: *JSC "IK AVK"*

TIN: *7820002270*

Location: *1, pavilion Uritskogo, Pushkin, Saint-Petersburg, 196605*

Number of the license of the professional participant of the stock market (dealer): *178-03343-010000*

Date of issue: *November 29, 2000*

Valid till: *unlimited*

Licensing body: *Federal Commission for Securities Market of Russia*

Number of the license of the professional participant of the stock market (broker): *178-03255-100000*

Date of issue: *November 29, 2000*

Valid till: *unlimited*

Licensing body: *Federal Commission for Securities Market of Russia*

Main functions of the given person: *renders services of the Financial consultant on the securities market under the Agreement №86-OF/03 of September 01, 2003, namely:*

- 1. Preparation of draft Decisions of the authorized bodies of the Issuer necessary for the organization of the bond issue and preparation of the report on the results of the bond issue.*
- 2. Preparation of draft Decision on the bond issue and prospectus of bonds according to the requirements of registering body and the effective legislation.*
- 3. Preparation of the draft Report on the results of the bond issue according to the requirements of registering body and the effective legislation.*
- 4. If introduction of changes and (or) additions in the Decision on bond issue as well as in the prospectus of securities (bonds) on demand of registering body or the Issuer is necessary before submission of the documents to the state registration, preparation and submission of all necessary documents to the Issuer for approval, with their subsequent submission for registration in the order established by the law.*
- 5. Approval of the register of the submitted orders for Bonds purchase according to the results of each day of the bond placement, and upon termination of the placement - the final Register of the submitted orders for Bonds purchase formed by the Organizer of the trade.*
- 6. Consulting the Issuer on the questions of:*
 - Information disclosure during preparation of the bond issue;*
 - preparation of the Decision on bond issue and the Prospectus of securities (bonds);*
 - formation of a package of documents for state registration of the bond issue;*
 - preparation of the Report on the results of the bond issue;*
 - formation of a package of documents for registration of the Report on the results of the bond issue.*

The Underwriter of the bond placement:

Full registered name: *Joint-stock commercial bank " ROSBANK " (open joint-stock company)*

Abbreviated name: *OJSC AKB " ROSBANK "*

TIN: *7730060164*

Location: *11, Masha Poryvaeva Str., Moscow, 107078*

Postal address: *mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078*

Number of the license: *№ 177-05721-100000 for broker activity*

Date of issue: *06.11.2001*

Valid till: *unlimited*

Licensing body: *Federal Commission for Securities Market of Russia*

Functions of the Underwriter, methods of the placement, essential provisions of the agreement:

The bond placement is performed by OJSC AKB "ROSBANK" operating on the basis of the Agreement № AN-1-YuT/2003 of September 01, 2003. According to the Agreement the function performed by the Underwriter is concluding on its own behalf but at the expense of the Issuer transactions on Bonds sale.

Remuneration of the Underwriter shall not exceed 1,0 (one) percent of the total par value of the bond issue.

During the bond placement transactions will be concluded on the conditions of negotiable transactions in the Stock Market Section of MICEX by satisfying target orders for purchase/sale submitted to the Trading and clearing Systems of MICEX.

The submitted orders for Bonds purchase are satisfied by the Underwriter in full if the number of Bonds indicated in the order does not exceed the number of unplaced Bonds. If the number of Bonds indicated in the order exceeds the number of unplaced Bonds, such order shall be satisfied at the amount of the Bonds that have not been placed. At that, during the Auction held in the MICEX stock market section the order of the Members of the stock market Section for purchase shall be satisfied provided that the coupon rate specified in it is not higher than the rate on the first coupon specified by the Issuer's Individual executive body starting from the orders having the minimal value of the interest rate of all submitted orders. If the interest rates specified in the orders are equal, they are satisfied on a first-come basis. If the total volume of par value of the bond issue is placed, further orders for bond purchase shall not be accepted.

Procedure of making an entry record under the account of depot of the first buyer in the Depository providing centralized custody:

According to Regulations on depository activity in the Russian Federation, approved by the Decision of the Federal Commission for Securities Market № 36 of October, 16, 1997, other legal acts and the Deposit Agreement Depository is obliged to make records under the account of depot of the client (depositor) only at presence of the documents giving grounds for making such records.

The grounds for making records under the account of depot of the client (depositor) are the following:

1. order of the client (depositor) or the person authorized by him, including the trustee of the account, meeting the requirements stipulated in the Deposit Agreement;

2. if lapse of the right on securities is not a result of civil-law transactions - documents confirming transfer of the rights on securities according to the effective legislation.

- Depository is obliged to register the facts of burden of the securities with a pledge as well as other rights of the third parties in the order stipulated by the Deposit Agreement.

- Rights on securities which are registered by the Depository are deemed transferred from the moment of making the corresponding record in the account of depot of the client (depositor) by the Depository. However, if there is no such record in the account of depot, the interested person shall be entitled to prove his rights on the securities on the basis of other proofs.

The sold Bonds are to be transferred by NDC to the accounts of the buyers on the day of concluding the transaction for purchase and sale.

The entry record under the account of depot of the first buyer in the Depository is made on the grounds of the orders given by the clearing organization servicing the transactions executed by the MICEX during the bond placement. The placed Bonds are transferred to the accounts of depot of the buyers by the Depository in accordance with the conditions of realizing clearing activity by the clearing organization and the conditions of realizing depository activity by the Depository.

8.4. Price of the placement.

During the first and the following days of the bond placement the bonds are to be placed at the price of 100 (one hundred) percent of their face value (one thousand roubles per one Bond).

Starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds.

8.5. The right of priority during the bond placement.

The right of priority is not provided.

8.6. Payment of Bonds.

When being acquired bonds shall be paid out in money terms in currency of the Russian Federation by cashless settlement.

Payment by installments:

Payment by installments is not allowed.

Essential elements of the accounts to which payments of bonds are to be transferred:

Holder of account: *Joint-Stock Commercial Bank "Rosbank" (Open Joint-Stock Company)*

Account number: *30401810400100000411*

Credit organization:

Full name: *Nonbank credit organization Closed joint-stock company "Clearing house of the Moscow Interbank Currency Exchange "*

Abbreviated name: *CJSC "RP MICEX"*

Location: *building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125009*

Postal address: *building 8, 1/13, Sredniy Kislovskiy per., Moscow, 125009*

BIC: *044583505*

Correspondence account: *3010581010000000505 in OPERU of the Moscow branch of the Bank of Russia*

Other conditions of payment:

The bonds shall be paid out in money terms in currency of the Russian Federation by cashless settlement according to the Rules of the MICEX Stock Market Section.

Starting from the second day of the bond placement, the buyer of Bonds when concluding transactions of purchase and sale shall pay the accumulated coupon income on Bonds (NKD) calculated by the following formula:

$$NKD = N \times C_1 \times (T - T_0) / 365 / 100\%$$

C₁-interest rate for the first coupon (annual);

N-face value of one Bond;

T-date of NKD calculation;

T₀-launch date of the placement;

NKD - accumulated coupon income on each Bond.

Amount of accumulated coupon income on one Bond is calculated to one kopeck (Methods of mathematical rounding are used).

Settlement of accounts on the bond placement shall be made on a "delivery against payment" basis.

Money resources received during the bond placement in MICEX shall be entered in the account of the Underwriter in the MICEX Clearing house.

Money resources entered in the account of the Underwriter in the MICEX Clearing house shall be transferred to the account of the Issuer not later than on the next working day after their receipt in the account of the Underwriter in the MICEX Clearing house;

8.7. Share of bonds which if not being placed makes the bond issue frustrated.

Such share is not established.

9. Terms and procedure of Bonds redemption and/or payment of the coupon income on Bonds.

9.1. Form of the bond redemption.

Repayment of Bonds shall be carried out in money terms in currency of the Russian Federation by cashless settlement.

9.2. Terms and the arrangements of the redemption.

The Maturity date:

The first day of the Maturity date:

the 1 092nd (one thousand and ninety second) day from the launch date of the bonds placement.

The last day of the Maturity date:

Coincides with the first day of the Maturity date.

Bonds are to be redeemed by the Payment agent on behalf and at the expense of the Issuer which is:

Full registered name: *Joint-stock commercial bank " ROSBANK " (open joint-stock company)*

Abbreviated name: *OJSC AKB " ROSBANK "*

Location: *11, Masha Poryvaeva Str., Moscow, 107078*

Postal address: *mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078*

The Issuer is entitled to appoint other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in the newspapers "Vedomosti" and/or "Izvestiya" not later than 10 (ten) working days prior to such actions.

Bonds are to be redeemed at their par value on the 1 092nd (one thousand and ninety second) day from the launch date of the bonds placement

If the maturity date happen to be week-end, holiday or any other day off in the Russian Federation , the due sum shall be paid out on the first business day after the maturity date. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.

Repayment of Bonds shall be carried out in currency of the Russian Federation by cashless settlement in favor of the Bond Holders. It is presumed that a bond holder who is a depositor of NDC is authorized to receive amounts from the Bond redemption.

Repayment of Bonds is made for the benefit of Holders of the Bonds being those as of the end of working hours of NDC, previous to the seventh business day before the maturity date (further under the text - " Date of making up a list of owners and Holders of Bonds).

Obligations on Bonds redemption are executed by the Issuer for the benefit of the Bond owners on the basis of the List of owners and/or Holders of Bonds presented by NDC.

Not later than 6 (six) working days prior to the Maturity Date NDC depositor who is not authorized by the clients to receive amounts from the Bond redemption shall provide NDC with the List of the Bond owners including the below mentioned data .

Execution of obligations in relation to the Bond owner being those at the date of making up a list of owners and Holders of Bonds declares appropriate including in case of alienation of Bonds after Date of making up a list of owners and Holders of Bonds.

Not later than 4 (four) working days prior to the Maturity Date NDC provides the Issuer and the Payment agent with the list of owners and Holders of the Bonds, made on Date of making up the list of owners and Holders of Bonds including the following data:

a) A full name of the person, authorized to receive the redemption sums under Bonds.

If Bonds are transferred by the owner to the Holder and the Holder is authorized to receive the sums of repayment under Bonds, the full name of the Holder shall be specified. If Bonds have not been transferred to the Holder and-or the Holder is not authorized by the owner to get the sums of repayment under Bonds, the full name of the owner of Bonds (First name, middle initial, last name the owner - for the physical person) shall be specified:

b) Number of the Bonds on the account of depot of the owner or inter-deposit account of depot of the Holder of Bonds, authorized to receive the sums of repayment under Bonds;

c) Location and postal address of the person, authorized to receive the sums of repayment under Bonds;

d) The name and essential elements of the bank account of the person, authorized to receive the sums of repayment under Bonds, namely:

- Number of the account;

- The name of bank in which the account is open;

- The correspondent account of bank in which the account is open;

- Bank identification code (BIK) of bank in which the account is open;

e) Tax-payer's Identification number (TIN) of the person, authorized to receive the sums of repayment under Bonds;

f) The tax status of the person authorized to receive the sums of repayment under Bonds (resident, non-resident with permanent representative office in the Russian Federation, non-resident without permanent representative office in the Russian Federation, etc.).

Bond Owners, their authorized persons including depositors of NDC are obliged to provide all necessary information to NDC and independently control the completeness and actuality of the data provided by them to the Depository, they bear all the risks related to non-provision/untimely provision of such information. Should the said data fail to be submitted, or fail to be submitted in due time to NDC, the Issuer bears no responsibility for untimely or undue execution of obligations on Bond redemption. It is the Owner of Bonds who takes the risks of damages in case of untimely or incomplete submission of the above mentioned data.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of the NDC's data. In cases stipulated by the Agreement with NDC the Issuer is entitled to demand confirmation of such data by information from the Register.

On the basis of the list of Bond Owners and Holders, provided by NDC, the Payment Agent calculates the amounts of money to be paid to each person authorized to receive Bond redemption amounts.

Not later than 3 (three) working day before the Maturity Date, the Issuer transfers the appropriate money to the Payment Agent's account.

As at the date of Bonds redemption the Payment Agent transfers the appropriate money to accounts of the persons authorized to get the sums of redemption under Bonds for the benefit of the Bond Owners.

If one person is authorized to receive Bond retirement amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

9.3. Procedure of calculating income paid under each bond.

Coupon period		Coupon income
Launch date	Expiry date	

1. Coupon: Annual interest rate on the first coupon is to be fixed during the auction held in the MICEX Stock market section. The Auction shall start and end on the launch day of the bond placement. Time of fixing interest rate on the first coupon and conclusion of transactions is determined by the Moscow Interbank Currency Stock Exchange as agreed with the Issuer and-or the Underwriter

On the date of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall submit orders for the Bond acquisition through the trading system of MICEX. Each order shall include the interest rate under the first coupon at which potential buyers are ready to acquire the Bonds at the price of 100 percent of their par value and the corresponding number of Bonds which potential buyers are ready to acquire if the Issuer fixes the interest rate on the first coupon higher or equal to that specified in the order. Interest rate on the first coupon specified in the order shall be expressed as annual interest rate to the 100-th share of percent.

By the beginning of the Auction the members of the Stock Market Section of MICEX participating in the Auction shall have to reserve money resource on their accounts in the MICEX Clearing system, sufficient for full payment of the Bonds specified in the orders for purchase including MICEX commission fee.

The orders which do not conform with the above mentioned conditions are not allowed to take part in the Auction.

After the period of submission of the orders for the Auction expires, members of the Stock Market Section of MICEX cannot withdraw the submitted orders.

After the period of submission of the orders for the Auction expires, MICEX shall make a joint register of the submitted orders and send it to the Issuer.

All the submitted orders are to be considered by the Issuer. Individual executive body of the Issuer shall make decision on the size of the annual interest rate under the first coupon on the basis of total number of the submitted orders and the interest rates on the first coupon indicated in them and inform the Underwriter and MICEX about it.

The Underwriter shall publish a notice on the size of the interest rate under the first coupon using MICEX Trading system by means of e-mail to all members of the MICEX Stock Market Section.

Launch date of the first coupon is the first day of the bond placement.	Expiry date of the first coupon is the launch date of the second coupon being the 182 nd day from the first day of the	The size of the first coupon income per one Bond is determined according to the following formula: $KD = C1 * N * (T1 - T0) / (365/100 \%),$
---	---	---

	bond placement.	<p>Where, KD - size of the coupon income on each Bond ; N - face-value of one Bond ; C1 - the size of the interest rate of the first coupon, in percentage annual; T0 - a launch date of the first coupon period; T1 – an expiry date of the first coupon period.</p> <p>The size of coupon income for the first coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
--	-----------------	---

2. Coupon: The interest yield for the second coupon will be equal to the interest rate for the first coupon.

Launch date of the second coupon is the 182-nd day from the first day of the bond placement.	Expiry date of the second coupon is the launch date of the third coupon being the 364th day from the first day of the bond placement.	<p>The size of the second coupon income per one Bond is determined according to the following formula: $KD = C2 * N * (T2 - T1) / (365/100 \%)$, Where, KD - size of the coupon income on each Bond ; N - face-value of one Bond ; C2 - the size of the interest rate of the second coupon, in percentage annual; T1 - a launch date of the second coupon period; T2 – an expiry date of the second coupon period.</p> <p>The size of coupon income for the second coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
--	---	--

3. Coupon: The interest rate on the third coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the second coupon payment.

Launch date of the third coupon is 364-th day from the first day of the bond placement.	Expiry date of the third coupon is the launch date of the fourth coupon being the 546th day from the first day of the bond placement.	<p>The size of the third coupon income per one Bond is determined according to the following formula: $KD = C3 * N * (T3 - T2) / (365/100 \%)$, Where, KD - size of the coupon income on each Bond ; N - face-value of one Bond ; C3 - the size of the interest rate of the third coupon, in percentage annual; T2 - a launch date of the third coupon period; T3 – an expiry date of the third coupon period.</p> <p>The size of coupon income for the third coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
---	---	---

4. Coupon: The interest rate on the fourth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the second coupon payment.

Launch date of the fourth coupon is 546-th day from the first day of the bond placement.	Expiry date of the fourth coupon is the launch date of the fifth coupon being the 728 th day from the first day of the bond placement.	<p>The size of the fourth coupon income per one Bond is determined according to the following formula: $KD = C4 * N * (T4 - T3) / (365/100 \%)$, Where, KD - size of the coupon income on each Bond ; N - face-value of one Bond ; C4 - the size of the interest rate of the fourth coupon, in percentage annual; T3 - a launch date of the fourth coupon period; T4 – an expiry date of the fourth coupon period.</p> <p>The size of coupon income for the fourth coupon is to be determined to within one kopeck (the rounding off of the second sign after a</p>
--	---	---

		point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).the interest rate for the first coupony.
--	--	--

5. Coupon: The interest rate on the fifth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the fourth coupon payment.

Launch date of the fifth coupon is 728-th day from the first day of the bond placement.	Expiry date of the fifth coupon is the launch date of the sixth coupon being the 910th day from the first day of the bond placement.	<p>The size of the fifth coupon income per one Bond is determined according to the following formula: $KD = C5 * N * (T5 - T4) / (365/100 \%)$, Where, KD - size of the coupon income on each Bond ; N - face-value of one Bond ; C5 - the size of the interest rate of the fifth coupon, in percentage annual; T4 - a launch date of the fifth coupon period; T5 – an expiry date of the fifth coupon period.</p> <p>The size of coupon income for the fifth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
---	--	---

6. Coupon: The interest rate on the sixth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the fourth coupon payment.

Launch date of the sixth coupon is 910-th day from the first day of the bond placement.	Expiry date of the sixth coupon coincides with the maturity date and is the 1092 nd day from the first day of the bond placement.	<p>The size of the sixth coupon income per one Bond is determined according to the following formula: $KD = C6 * N * (T6 - T5) / (365/100 \%)$, Where, KD - size of the coupon income on each Bond ; N - face-value of one Bond ; C6 - the size of the interest rate of the sixth coupon, in percentage annual; T5 - a launch date of the sixth coupon period; T6 – an expiry date of the sixth coupon period.</p> <p>The size of coupon income for the sixth coupon is to be determined to within one kopeck (the rounding off of the second sign after a point is made by rules of a mathematical rounding off, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).</p>
---	--	---

9.4. Order and term of payment of the income on bonds including order and term of payment of the income on each coupon period.

Coupon period		Period(date) of coupon income payment	Date of making up the list of Bond owners for payment of coupon income
Launch date	Expiry date		

1. Coupon: Annual interest rate on the first coupon is to be fixed during the auction on the launch day of the bond placement

Launch date of the first coupon is the first day of the bond placement.	Expiry date of the first coupon is the launch date of the second coupon being the 182 nd day from the first day of the bond placement.	Date of the first coupon income payment is the 182 nd day from the first day of the bond placement.	Payment of coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before the date of payment of the coupon income on Bonds (hereinafter – Date of making a List of Bond owners and/or Bond nominal Holders).
---	---	--	--

Procedure of Coupon Yield payment:

Payment of the coupon yield on the Bonds is effected by a payment agent upon instructions and at the expense of the Issuer. Payment of the Bond yield is effected in the currency of the Russian Federation in the non-cash order for the benefit of owners of Bonds. It is presumed that a nominal bond holder who is a depositor of NDC is authorized to receive amounts from the Bond yield (coupon) payment. Bond Owners, their authorized persons including depositors of NDC independently control the completeness and actuality of the data provided by them to the Depository and bear all the risks related to non-provision/untimely provision of such information. Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person

submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of the NDC's data. In cases stipulated by the Agreement with NDC the Issuer is entitled to demand confirmation of such data by information from the Register.

Coupon income payment is made for the benefit of owners of the Bonds being those as of the end of working hours of NDC, previous to the seventh business day before the date of the coupon payment. Obligations on coupon income payment are executed by the Issuer on the basis of the List of owners and/or Holders of Bonds presented by NDC.

Not later than 6 (six) working days prior to the date of coupon income payment NDC depositor who is not authorized by the clients to receive amounts from coupon income on the Bonds shall provide NDC with the List of the Bond owners including all the essential elements mentioned below in the List of the Bond Owners and/or Nominal Holders.

Execution of obligations in relation to the Bond owner being those at the date of making up a list of owners and Holders of Bonds declares appropriate including in case of alienation of Bonds after Date of making up a list of owners and Holders of Bonds.

Not later than 4 (four) working days prior to the date of coupon income payment NDC provides the Issuer and the Payment agent with the List of owners and Holders of the Bonds, made on the Date of making up the list of owners and Holders of Bonds including the following data:

a) A full name of the person, authorized to receive the coupon income sums under Bonds.

If Bonds are transferred by the owner to the Holder and the Holder is authorized to receive the sums of coupon income under Bonds, the full name of the Holder shall be specified. If Bonds have not been transferred to the Holder and-or the Holder is not authorized by the owner to get the sums of coupon income under Bonds, the full name of the owner of Bonds (First name, middle initial, last name the owner - for the physical person) shall be specified:

b) Number of the Bonds on the account of depot of the owner or inter-deposit account of depot of the Holder of Bonds, authorized to receive the sums of coupon income under Bonds;

c) Location and postal address of the person, authorized to receive the sums of coupon income under Bonds;

d) The name and essential elements of the bank account of the person, authorized to receive the sums of coupon income under Bonds, namely:

- Number of the account;

- The name of bank in which the account is open;

- The correspondent account of bank in which the account is open;

- Bank identification code (BIK) of bank in which the account is open;

e) Tax-payer's Identification number (TIN) of the person, authorized to receive the sums of coupon income under Bonds;

f) The tax status of the person authorized to receive the sums of coupon income under Bonds.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, the Issuer bears no responsibility for untimely or undue execution of obligations on coupon income payment on Bonds. It is the Owner of Bonds who takes the risks of damages in case of untimely or incomplete submission of the above mentioned data.

Should the said data fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of the NDC's data.

On the basis of the list of Bond Owners and Holders, provided by NDC, the Payment Agent calculates the amounts of money to be paid to each person authorized to receive Bond coupon income amounts.

Not later than 3 (three) working day before the date of coupon income payment under Bonds, the Issuer transfers the appropriate money to the Payment Agent's account.

As at the date of coupon income payment the Payment Agent transfers the appropriate money to accounts of the persons authorized to get the sums of coupon income under Bonds for the benefit of the Bond Owners.

If one person is authorized to receive Bond coupon income amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

If the date of coupon income payment happen to be week-end, holiday or any other day off in the Russian Federation, the due sum shall be paid out on the first business day after the day off. The Holder of Bonds is not entitled to claim any compensation for such delay of payment.

2. Coupon: The interest yield for the second coupon will be equal to the interest rate for the first coupon

Launch date of the second coupon is 182-nd day from the first day of the bond placement.	Expiry date of the second coupon is the launch date of the third coupon period being the 364th day from the first day of the bond placement.	Date of the second coupon income payment is the 364th day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
--	--	---	---

Procedure of coupon income payment:

Procedure of the second coupon income payment is the same as that of the first coupon income payment.

3. Coupon: The interest rate on the third coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the second coupon payment.

Launch date of the third coupon is 364 th day from the first day of the bond placement.	Expiry date of the third coupon is the launch date of the fourth coupon period being the 546 th day from the first day of the bond placement.	Date of the third coupon income payment is the 546 th day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the
--	--	--	---

			coupon income on Bonds.
Procedure of coupon income payment: Procedure of the third coupon income payment is the same as that of the first coupon income payment.			

4. Coupon: The interest rate on the fourth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the second coupon payment.

Launch date of the fourth coupon is 546th day from the first day of the bond placement.	Expiry date of the fourth coupon is the launch date of the fifth coupon period being the 728 th day from the first day of the bond placement.	Date of the fourth coupon income payment is the 728 th day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
Procedure of coupon income payment: Procedure of the fourth coupon income payment is the same as that of the first coupon income payment.			

5. Coupon: The interest rate on the fifth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to the date of the fourth coupon payment.

Launch date of the fifth coupon is 728 th day from the first day of the bond placement.	Expiry date of the fifth coupon is the launch date of the sixth coupon period being the 910 th day from the first day of the bond placement.	Date of the fifth coupon income payment is the 910 th day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
Procedure of coupon income payment: Procedure of the fifth coupon income payment is the same as that of the first coupon income payment.			

6. Coupon: The interest rate on the sixth coupon shall be fixed by the Issuer in numerical value and brought to the notice of Bond Owners through publication in newspapers "Vedomosti" or "Izvestiya" or "Kommersant" or any other mass media not later than 10 (ten) working days prior to the date of the fourth coupon payment.

Launch date of the sixth coupon is 910 th day from the first day of the bond placement.	Expiry date of the sixth coupon coincides with the maturity date and is the 1092 nd day from the first day of the bond placement.	Date of the sixth coupon income payment is the 1092 nd day from the first day of the bond placement.	Payment of the coupon income on bonds are made for the benefit of owners of Bonds being those as of the end of business day of NDC, previous to the 7 (seventh) working day before date of payment of the coupon income on Bonds.
Procedure of coupon income payment: Procedure of the sixth coupon income payment is the same as that of the first coupon income payment. List of the Bond owners and nominal holders made up for Bonds redemption is used for the sixth coupon income payment. Income under the sixth coupon is paid simultaneously with repayment of Bonds			

9.5. Possibility and conditions of Bond redemption before maturity.

Bond redemption before maturity is not provided by the Decision on bond issue and the Prospectus on the bond issue.

9.6. Data on Payment Agents

Coupon (interest) yield and the redemption sums under the Bonds shall be paid by the Issuer through its Payment agent.

Full registered name: *Joint-stock commercial bank " ROSBANK " (open joint-stock company)*

Abbreviated name: *OJSC AKB " ROSBANK "*

Location: *11, Masha Poryvaeva Str., Moscow, 107078*

Postal address: *mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078*

Date of the General license for realizing banking transactions: *January 27, 2003*

Number of the License: *2272*

The licensing body: *Central Bank of the Russian Federation (Bank of Russia)*

Duties and functions of the Payment agent:

A Payment agent operates under the Agreement "On Payment Agent" with the Issuer. Pursuant to the Agreement the payment agent is obliged:

1. To transfer money on behalf and at the expense of the Issuer to the persons specified in the List of Bond owners and Holders entitled to receive coupon income/amounts of repayment as well as to consult the Issuer on its request on preparation of documents necessary for execution by the issuer of its obligations on coupon income payments and repayment of the bond issue par value.

2. To inform the Issuer on the made payments on the following working day from the date of coupon income or redemption sums payment.

The Issuer is entitled to appoint additional and other payment agents and cancel such appointments. Official notice of such appointments shall be published by the Issuer in the newspapers "Vedomosti" or "Izvestiya" not later than 10 (ten) working days prior to such actions.

9.7. Description of actions of the Bond owners in case the Issuer fails to execute its obligations under bonds as well as procedure of disclosing the information on default or undue execution of obligations on repayment and payment of income under bonds.

In compliance with articles 810 and 811 of the Civil Code of Russia, the Issuer is obliged to repay the bond face value to the owners during retirement and to pay the coupon yield under the Bonds in time and order prescribed by the terms and conditions of the Decision on the Bonds issue and the Prospectus on the bond issue.

Default of obligations of the Issuer under Bonds is the essential breach of the conditions of the concluded contract of debt (default) in case of:

- Delay in execution of the obligation on payment of the next interest (coupon) payment under the Bond for the term of more than 7 days or refusal to fulfill the specified obligation;
- Delay in execution of the obligation on payment of the sum of the basic debt under the Bond for the term of more than 30 days or refusal to fulfill the specified obligation.

Execution of the corresponding obligations with delay, however during the above-stated periods, makes a technical default.

In case of default or technical default under Bonds owners and/or nominal holders of Bonds are entitled to appeal to the person giving security for Bond issue ("Underwriter") under the conditions of irrevocable offer on the conclusion of the contract of guarantee for the purposes of the Bond Issue.

In case of default or technical default under Bonds, execution of obligations of the Issuer before the owners of Bonds on payment of Bond par value and/or the coupon income under Bonds is provided by the Company with limited liability "UTK-Finance" (hereinafter referred to as "Underwriter") in the order stated in item 12.2. of the Decision on bond issue and item 56.14. of the Prospectus on the bond issue.

Within 5 (five) days from the date of default or technical default the Issuer is obliged to publish the following information in "The Supplement to the Bulletin of the Federal Commission for Securities Market of Russia" and the newspaper "Vedomosti" or "Izvestiya":

- Volume of not executed obligations;
- The reason of default of obligations;
- Possible actions of the owners of Bonds on satisfaction of their requirements.

According to the Item 395 of the Civil Code of the Russian Federation, in case of default or technical default under Bonds the Issuer shall pay interest for failure to pay the amounts in time to owners of Bonds simultaneously with payment of the due sums.

In case of default or technical default under Bonds owners of Bonds can address the court with the claim. Owners of Bonds - natural persons can go to the court of the general jurisdiction at the place of the sued party's location, legal persons - owners of Bonds, can address the Arbitration court of Moscow. The Issuer and/or the Underwriter can be sued in the court of general jurisdiction or arbitration court within general limitation period of 3 years.

The general limitation period is established as 3 years according to article 196 of the Civil code of the Russian Federation. Pursuant to article 200 of the Civil code of the Russian Federation the limitation period starts on the day when a person has found out or should have found about violation of his right. Jurisdiction of civil cases to courts is established by article 22 of the Civil Code of Practice of the Russian Federation. According to the specified article courts of the general jurisdiction try and resolve cases with participation of citizens, organizations, state and local authorities related to protection of the violated or challenged rights, freedoms and legitimate interests, on the disputes arising from civil, family, labour, housing, ground, ecological and other legal relations.

Jurisdiction of cases to arbitration court is established by article 27 of the Arbitration Code of Practice of the Russian Federation. According to the specified article arbitration courts try cases on economic and other business activities. Arbitration courts resolve economic disputes and try other cases with participation of organizations being legal persons, citizens having the legal status of individual entrepreneurs, and in the cases stipulated by the Civil Code and other federal laws, with participation of the Russian Federation, subjects of the Russian Federation, municipal unions, state and local authorities, other bodies, officials, unions not having the status of legal person, and the citizens not having the status of the individual entrepreneur.

10. Data on bonds' acquisition.

Possibility, procedure and conditions of bonds' acquisition by the Issuer:

The Issuer is entitled to buy Bonds from their owners with a possibility of their further circulation till the maturity date.

Bond acquisition by the Issuer cannot start before the date of the state registration of the Report on results of Bond Issue.

The Issuer undertakes to acquire all Bonds on demand of owners of Bonds, who submitted orders for Bonds acquisition following the procedure prescribed by the Decision on bond issue and the Prospectus of Bonds, within last 7 (Seven) days of the second and fourth coupon periods under Bonds (hereinafter referred to as - "Periods of submission of orders for the bond acquisition by the Issuer").

The Issuer shall acquire Bonds on demand of owners of Bonds in the following order:

a) During the period of time starting from the 1-st (First) day of the corresponding Period of submission of orders for the bond acquisition by the Issuer and ending on the last day of the given Period of submission of orders for the bond acquisition by the Issuer the owner of Bonds shall send a notice in writing to the Agent of the Issuer (OJSC AKB "ROSBANK ") on intention to sell to the Issuer the certain number of Bonds on the conditions stated in the Decision on bond issue and the Prospectus of Bonds according to the form specified in subitem "d" of the present item (hereinafter referred to as - "Notice"). The notice should be received in any of the days included in the corresponding Period of submission of orders for the bond acquisition by the Issuer. The notice can be send by registered mail or urgent express service to the address: m/b 208, 11, Masha Poryvaeva str., Moscow, 107078 for the Securities Department. The notice should also be send to the Agent of the Issuer by fax (0957252405 for the Securities Department in any of the working days included in the corresponding Period of submission of orders for the bond acquisition by the Issuer.

The notice is considered received by the Agent: if delivered by registered mail or handed personally - from the date of the mark about delivery of the original of the addressee, if delivered by fax - from the moment the sender's fax machine receive the confirmation about reception of the Notice by the addressee.

b) Bonds shall be acquired by the Issuer at the date of acquisition which is to be determined as follows (hereinafter referred to as - " Date of acquisition"):

Date of acquisition for the second coupon period is determined as the latest of the two dates:

- Date of the second coupon income payment;

- The 5-th (Fifth) working day from the date of receipt of the Notice by the Agent of the Issuer.

Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated third coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 61 of the Prospectus of Bonds and paid in addition.

Date of acquisition for the fourth coupon period is determined as the latest of the two dates:

- Date of the fourth coupon income payment;

- The 5-th (Fifth) working day from the date of receipt of the Notice by the Agent of the Issuer.

Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated fifth coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 61 of the Prospectus of Bonds and paid in addition.

If the Date of acquisition of Bonds happens to be week-end, holiday or any other day off in the Russian Federation , the transactions of purchase and sale of Bonds shall be concluded on the first business day after the day off.

c) After sending the Notice specified in subitem "a" of item 56.13. of the Prospectus on the bond issue and subitem "a" of item 10 of the Decision on bond issue the owner of Bonds being the Member of the MICEX Stock market Section, or the broker - Member of the MICEX Stock market Section operating on behalf and at the expense of the owner of Bonds not being the Member of the MICEX Stock market Section, submits the target order for sale of Bonds through the Trading System of the MICEX Stock market Section according to the MICEX Trading Rules and other bylaws of the MICEX Stock market Section(hereinafter referred to as - " Rules of the Section ") to the Agent of the Issuer being a member of the MICEX Stock market Section, with indication of the price determined in subitem "b" of the present item, number of Bonds to be sold by the owner of Bonds and T0 accounting code.

The order shall be submitted to the Trading System from 11:00 a.m. to 03:00 p.m. Moscow time on the corresponding Date of acquisition of Bonds. The number of Bonds specified in the order shall not exceed the number of Bonds specified in the Notice sent by the owner of Bonds according to item 56.13. of the Prospectus on the bond issue and item 10 of the Decision on bond issue.

If the owner of Bonds is not a Member of the MICEX Stock market Section, he shall conclude the corresponding Agreement with any broker being the Member of the MICEX Stock market Section and give the specified broker instructions on sale of Bonds.

According to the conditions of Bonds acquisition by the Issuer the extract from the Register of the trades made up as corresponding appendix to the MICEX Trading Rules and certified by the MICEX authorized signature shall be considered sufficient evidence of submitting the order for sale of Bonds.

d) The notice on the intention of the owner of Bonds to sell to the Issuer a certain number of Bonds shall be made under the following form:

Hereby _____ (First name, middle initial, last name of the owner of Bonds - for the natural person, the full name of the owner of Bonds - for the legal person) notifies on the intention to sell to Public joint-stock company " Southern telecommunications company " series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, state registration number _____, owned by _____ (First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person) according to the conditions set forth in the Prospectus of Bonds and Decisions on the bond issue.

First name, middle initial, last name of the owner of Bonds - for the natural person, full name of the owner of Bonds - for the legal person:

Number of Bonds offered for sale (figures and in words).

The name of the Member of the MICEX Stock market Section who on behalf and at the expense of the owner of Bonds will submit the order for sale of Bonds to the Agent of the Issuer in the MICEX Trading System, on the corresponding Date of acquisition of Bonds (if the owner of Bonds is not a Member of the MICEX Stock market Section)

The signature of the owner of Bonds

Seal of the owner of Bonds - for the legal person.

Date of Bond acquisition or the procedure of its determination:

Date of Bond acquisition by the Issuer cannot be prior to the date of the state registration of the Report on the results of the bond issue by the Federal Commission for Securities Market of Russia and the launch date of the secondary circulation of the Bonds.

The Issuer undertakes to acquire all Bonds on demand of owners of Bonds, who submitted orders for Bonds acquisition following the procedure prescribed by the Decision on bond issue and the Prospectus of Bonds, within last 7 (Seven) days of the second and fourth coupon periods under Bonds.

Bonds shall be acquired by the Issuer on the Date of acquisition which is to be determined as follows:

Date of acquisition for the second coupon period is determined as the latest of the two dates:

- Date of the second coupon income payment;*
- The 5-th (Fifth) working day from the date of receipt of the Notice by the Agent of the Issuer.*

Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated third coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 61 of the Prospectus of Bonds and paid in addition.

Date of acquisition for the fourth coupon period is determined as the latest of the two dates:

- Date of the fourth coupon income payment;*
- The 5-th (Fifth) working day from the date of receipt of the Notice by the Agent of the Issuer.*

Transactions of sale and purchase of Bonds shall be concluded at the price (hereinafter referred to as - " the Price of acquisition ") of 100 (one hundred) percent of the bond par-value. The price of acquisition being 100 (one hundred) percent of the Bond face-value does not include the sum of the accumulated fifth coupon income under Bonds as at the Date of acquisition (NKD) to be calculated according to item 15 of the Decision on bond issue and item 61 of the Prospectus of Bonds and paid in addition.

If the Date of acquisition of Bonds happens to be week-end, holiday or any other day off in the Russian Federation , the transactions of purchase and sale of Bonds shall be concluded on the first business day after the day off.

Procedure of disclosing the information on Bond acquisition:

Not later than 10 (ten) working days from the date of the second coupon income payment the Issuer shall publish in newspapers "Vedomosti" or "Izvestiya" the following data:

- The size of interest rates under the third and fourth coupons;*
- The size of the coupon income to be paid per one Bond, under the third and fourth coupons;*
- The procedure and the price of Bonds acquisition, number of Bonds to be acquired (up to 100 % of the placed Bonds), form and term of payment as well as the date of Bonds acquisition.*

Not later than 10 (ten) working days from the date of the fourth coupon income payment the Issuer shall publish in newspapers "Vedomosti" or "Izvestiya" the following data:

- The size of interest rates under the fifth and sixth coupons;*
- The size of the coupon income to be paid per one Bond, under the fifth and sixth coupons;*
- The procedure and the price of Bonds acquisition, number of Bonds to be acquired (up to 100 % of the placed Bonds), form and term of payment as well as the date of Bonds acquisition.*

The Decision on bond issue does not admit the Bonds acquisition upon agreement with their owners, that is why information on the procedure of taking decision on the Bond acquisition by the Issuer is not provided.

11 Procedure of disclosing the information on Bond Issue by the Issuer.

1. Not later than 5 (five) business days from the date of approval of the Resolution on Bond placement by the Issuer's authorized body the Issuer shall make publication in the "Supplement to the Bulletin of the FCSM of Russia" and in the newspapers "Vedomosti" or "Izvestiya" containing the information on this resolution including the name of the body which has approved the decision, date of the meeting, exact wording of the adopted decision, quorum of the meeting and the voting results.

2. Not later than 5 (five) days from the moment of occurrence of the essential fact confirming the approval of the Decision on Bond issue by the authorized body of the Issuer the Issuer shall make publication in the "Supplement to the Bulletin of the FCSM of Russia" and in the newspaper "Vedomosti" or "Izvestiya" containing the information on this resolution including the name of the body which has approved the decision, date of the meeting, exact wording of the adopted decision, quorum of the meeting and the voting results.

3. Within 5 (five) days from the date of the state registration of Bond Issue the Issuer shall publish in the "Supplement to the Bulletin of the FCSM of Russia" and the newspapers "Vedomosti" or "Izvestiya" the following information:

- Name of the Issuer, its location and postal address;
- Type and form of the bonds being placed;
- Number of the bonds being placed;
- Terms and conditions of the bond placement;
- Date and number of the state registration of the bond issue;
- Name of the body which has made the state registration of the Bond issue, its location;
- place and procedure of familiarization with the Decision on bond issue and the Prospectus on the bond issue;
- undertaking obligations by the Issuer on the information disclosure in the form of the Issuer's quarterly report and reports on material facts affecting the Issuer's economic and financial activity in cases and in order set forth by the statutory acts of the FCSM;
- Access to the information contained in the registered Report on the results of the Bond issue

4. Since the date of publication of the notice on the state registration of the Bond issue and on the procedure of disclosing information on securities issue, all interested parties can familiarize themselves with the Decision on Bond issue and the Prospectus of Bonds at the following addresses:

Public Joint –Stock Company “ Southern Telecommunications Company ”

Location: 66, Karasunskaya Str., Krasnodar, 350 000, Russia

Postal address: 66, Karasunskaya Str., Krasnodar, 350 000, Russia

Phones: (8612) 53-20-56

Web-site: www.stcompany.ru

OJSC AKB " ROSBANK "

Location: 11, Masha Poryvaeva Str., Moscow, 107078

Postal address: mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078

Phone: (095) 234-90-82, 208-90-38

5. Not later than on the 5 (fifth) working day prior to the launch date of Bond placement and after the date of the state registration the Issuer shall publish the report on such date in the newspapers "Vedomosti" or "Izvestiya".

6. Within a month from the date of approval of the results of the Bond placement by the Issuer the Issuer shall publish in the "Supplement to the Bulletin of the FCSM of Russia" and in the newspapers "Vedomosti" or "Izvestiya" the following information:

- name of the Issuer;
- name of the Issuer's authorized body who has approved the results of the Bond placement and date of the approval;
- type and form of the placed Bonds;
- number of the placed Bonds.

7. Within 5 days from the date of the state registration of the Report on the results of the Bond issue by the FCSM of Russia the Issuer shall publish the announcement on registration of the Report in the "Supplement to the Bulletin of the FCSM of Russia", newspapers "Vedomosti" or "Izvestiya".

8. Starting from the date of publication of the notice on the state registration of the Report on results of Bond issue by the Issuer, all interested parties can familiarize themselves with the Report on results of the Bond issue and get a copy of the Report at the following addresses:

Public Joint –Stock Company “ Southern Telecommunications Company ”

Location: 66, Karasunskaya Str., Krasnodar, 350 000, Russia

Postal address: 66, Karasunskaya Str., Krasnodar, 350 000, Russia

Phones: (8612) 53-20-56

Web-site: www.stcompany.ru

OJSC AKB " ROSBANK "

Location: 11, Masha Poryvaeva Str., Moscow, 107078

Postal address: mailbox 208, 11, Masha Poryvaeva Str., Moscow, 107078

Phone: (095) 234-90-82, 208-90-38

9. Not later than 10 (ten) working days from the date of the second coupon income payment the Issuer shall publish in newspapers "Vedomosti" or "Izvestiya" the following data:

- The size of interest rates under the third and fourth coupons;
- The size of the coupon income to be paid per one Bond, under the third and fourth coupons;
- The procedure and the price of Bonds acquisition, number of Bonds to be acquired (up to 100 % of the placed Bonds), form and term of payment as well as the date of Bonds acquisition.

10. Not later than 10 (ten) working days from the date of the fourth coupon income payment the Issuer shall publish in newspapers

"Vedomosti" or "Izvestiya" the following data:

- The size of interest rates under the fifth and sixth coupons;
- The size of the coupon income to be paid per one Bond, under the fifth and sixth coupons;
- The procedure and the price of Bonds acquisition, number of Bonds to be acquired (up to 100 % of the placed Bonds), form and term of payment as well as the date of Bonds acquisition.

11. In case of default or technical default of the Issuer's obligations on Bonds the Issuer shall publish the following information in the "Supplement to the Bulletin of the FCSM of Russia", newspapers "Vedomosti" or "Izvestiya" within 5 (five) days after the default or technical default:

- Volume of not executed obligations;
- Reason of default of obligations;
- List of possible actions of Bond owners aimed at satisfaction of their demands.

12. Not later than 5 (five) days from the moment of occurrence of the essential fact affecting financial and economic activity of the Issuer and related to the Bond issue, the information on such fact shall be published by the Issuer in the "Supplement to the Bulletin of the FCSM of Russia" or other printing edition.

13. The Issuer can appoint additional and other payment agents and cancel such appointments. Report on such actions shall be published by the Issuer within 10 (ten) working days before the date of such appointments or their cancellation in the newspapers "Vedomosti" or "Izvestiya".

13. Data on Security for the Bonds of the Issue

12.1. Data on the person providing security for the bond issue

Person providing security:

Full registered name: *Company with Limited Liability "UTK-Finance "*

Abbreviated name: *"UTK-Finance " Ltd*

TIN: *2308090843*

OGRN: *1032304152220*

Location: *212, Moskovskiy pr., Saint Petersburg, 196066*

Postal address: *67, Gagarin Str., Krasnodar, 350062*

Kind of security:

Underwriting

Size of security (RUR): *Total par value of the Bonds amounting to 1 500 000 000 (one billion five hundred million) rubles and the cumulative coupon income under Bonds.*

The size of commitments secured by the Underwriter can not exceed 2 400 000 000 (Two billion four hundred million) rubles.

12.2. Terms of underwriting and procedure of exercising by Bond owners their right on provided security:

Item 12.2 of the Decision on Bond Issue and item 56.14 of the Prospectus on the bond issue represent the offer of the Underwriter to conclude the contract of guarantee on the stated conditions (hereinafter referred to as - "Offer").

By this Offer the Underwriter undertakes to assume liability before the buyers of the bonds (hereinafter referred to as – Owners of the bonds) under the Issuer's obligations to pay total par value of the Bond issue amounting to RUR 1.5 billion as well as cumulative coupon income under Bonds (hereinafter referred to as - Obligations) in the order set forth in the Decision on bond issue and the Prospectus of Bonds, aimed at due execution by Public Joint –Stock Company "UTK" (hereinafter referred to as - the Issuer) obligations under series 02 non-convertible interest-bearing certificated pay-to-bearer bonds with mandatory centralized custody, total amount of 1 500 000 (one million five hundred thousand) bonds with face value of 1000 (one thousand) rubles each (hereinafter referred to as – Bonds).

The Underwriter and the Issuer carry joint liability before Owners of Bonds under Obligations.

The size of commitments secured by the Underwriter can not exceed 2 400 000 000 (Two billion four hundred million) rubles. The Underwriter shall not be responsible for compensation of the Owners' legal costs incurred during the arbitration and other losses of Owners and / or penalties caused by default or inadequate execution by the Issuer of its obligations on payment of par value of Bonds and / or coupon income under Bonds.

The Underwriter shall execute the Obligations if all the following conditions are present at the same time:

- *A Bond Owner or a person properly authorized by the Owner have submitted a Claim on execution of the corresponding Obligation to the Underwriter (hereinafter referred to as - the Claim);*
- *The Claim shall contain:*

- (a) *Nature of Obligations that were not fulfilled by the Issuer before the Owner;*
- (b) *The size of non-fulfilled Obligations of the Issuer before the Owner;*
- (c) *The full registered name (First name, middle initial, last name - for the natural person) of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);*
- (d) *The location of the Owner and the person, authorized to receive payments under Bonds (in case of appointment of such person);*

- (e) For the natural person - a series and number of the passport, date of issue and issuing body;
- (f) Name of the country where the Owner is a tax resident;
- (g) Number of Bonds owned by the Owner under which payments are to be made; and
- (h) Essential elements of the bank account of the Owner or the person, authorized to receive payments under Obligations;

- The following documents should be enclosed to the Claim:

- (b) A copy of an extract from the account of depot of the owner of Bonds certified by the Depository recording the rights under Bonds with indication of the number of the Bonds belonging to the Owner, or other document confirming the rights of the Owner on the Bonds;

(b) duly executed according to the effective legislation of the Russian Federation documents confirming powers of the authorized person (in case of submission of the Claim by the authorized person of the owner of Bonds);

- The Claim shall be signed by the Owner or the person, authorized to receive payments under Obligations. If the Claim is submitted by the legal person, it should contain a seal of this legal person.

Claims can be submitted to the Underwriter during two years from the Maturity date of the Bond issue fixed in the Decision on bond issue and the Prospectus of Bonds.

The Underwriter shall make the corresponding payments on the account specified in the Claim not later than 30 (Thirty) days from the date of the receipt of the Claim.

Acquisition of Bonds means the acceptance of the Offer, namely, the conclusion of the contract of guarantee between the buyers of the Bonds and the Underwriter on the conditions stated above. The specified contract of guarantee is considered concluded from the moment of obtaining the property rights on Bonds by the first Owner, at that, the written form of the contract of guarantee is considered observed. Rights under the specified contract of guarantee shall be transferred to a purchaser together with other rights on Bonds in the same volume and on the same conditions which exist at the moment of transferring such rights. Transfer of the rights arising from the specified contract of guarantee is declared invalid without transfer of the rights under the Bonds.

The Offer is irrevocable.

Any dispute arising out of the given Offer and the contract of guarantee concluded by means of the acceptance of the Offer shall be settled by Arbitration court of Moscow or in the court of the general jurisdiction at the place of the sued party residence.

Terms of underwriting are regulated and subject to interpretation according to the legislation of the Russian Federation.

13. The Issuer undertakes to ensure the rights of Bond Owners, provided they observe the procedure for exercising such rights, established by the laws of the Russian Federation .

14. In case the Issuer fails to execute its obligations on Bonds or delays the execution of such obligations the Underwriter – Company with Limited Liability “UTK-Finance” - undertakes to ensure fulfillment of the Issuer’s obligations before the Owners of Bonds on the conditions of the underwriting.

15. Other data stipulated by Standards of issue of bonds and their prospectuses of issue.

1. Bonds are permitted to freely circulate in stock- exchange and over the counter markets.

Non-residents can acquire Bonds according to the current legislation and statutory acts of the Russian Federation.

Circulation of Bonds in the secondary market begins on the first calendar day following the date of the state registration of the report on results of Bond Issue by FCSM of Russia. In the over the counter market bonds are to be circulating without restrictions up to the Maturity Date.

Transactions with bonds in the Moscow Interbank Stock Exchange stop on the day following the Date of drawing up the list of owners and Holders of Bonds for payment of the coupon income on each coupon (except for the last one), and resume on the day of payment of the corresponding coupon income.

Transactions with bonds in MICEX cease on the day following the Date of drawing up the list of owners and Holders of Bonds for payment of the last coupon income and repayment of the present Bond Issue.

2. The accumulated coupon income on Bonds (NKD) shall be calculated by the following formula:

$$NKD = C_j * N * (T - T_{j-1}) / 365/100 \%,$$

Where

NKD - accumulated coupon income under each Bond;

N - a face-value of one Bond;

j- serial number of the coupon period, j=1,2,3,4,5,6;

C_j - coupon income rate under Bonds in j-th period, annual interest rates;

T_{j-1} - expiry date of the coupon period with a serial number (j-1);

Expiry dates of the coupon periods are fixed by the Decision on bond issue and the Prospectus of Bonds.

T - the current date.

Amount of accumulated coupon income on one Bond is calculated to one kopeck (Methods of mathematical rounding are used, namely: in case the third sign after a point more or is equal 5, the second sign after a point increases for unit in case the third sign after a point is less 5, the second sign after a point does not change).